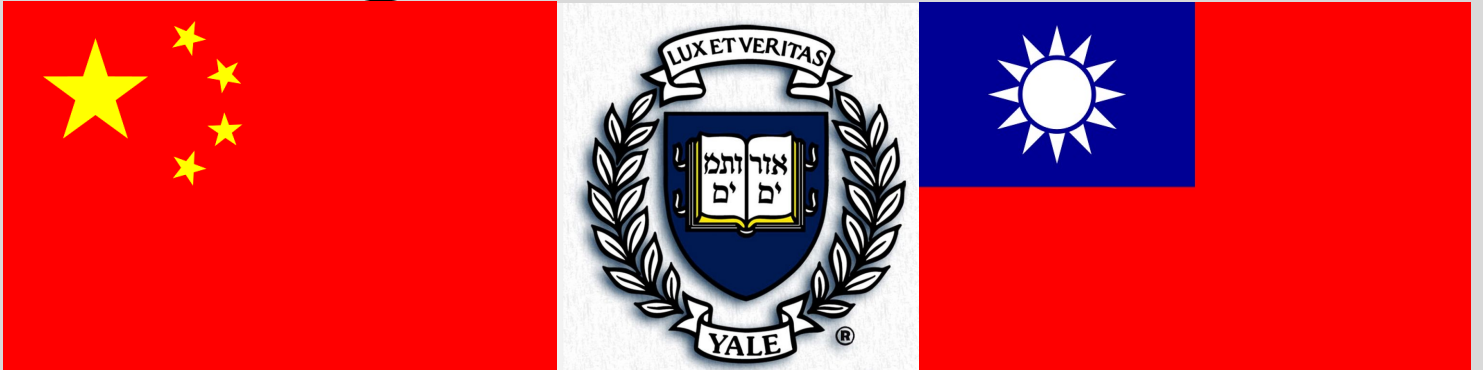


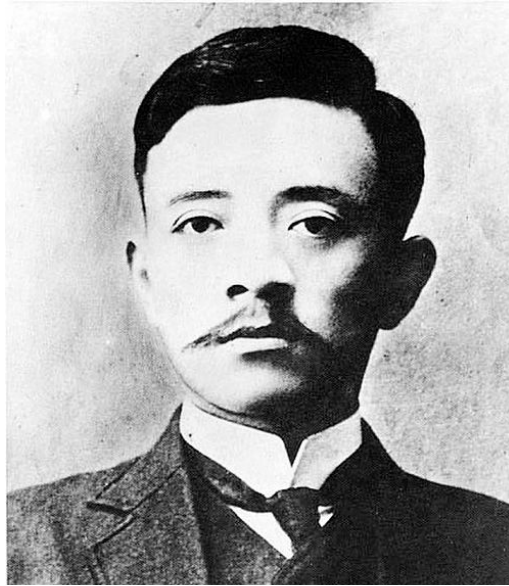
CHINESE CIVIL WAR & The Rise of Modern China: **Organized Crime?**



By William P. Litynski

From the Grassy Knoll in Shanghai, China: **Lone Gunman or Patsy?**

The Assassination of Kuomintang President Sung Chiao-jen on March 20, 1913



Lone Gunman or Patsy?: Sung Chiao-jen (宋教仁, 1882-1913)(above), the President of the Kuomintang (Chinese Nationalist Party) in 1912 and 1913, was assassinated by a “lone gunman” at the train station in Shanghai on March 20, 1913. Sung died two days later in Shanghai on March 22, 1913. Chinese warlord Yuan Shih-kai was allegedly the mastermind behind the assassination of Sung Chiao-jen. The “Second Revolution”, a political rebellion against Yuan Shih-kai, began in July 1913.



A group of Chinese Nationalists (Kuomintang) flee to Japan in 1913 after the failure of the effort to depose Yuan Shih-k'ai (Radio Times Hulton Picture Library)

“...[A] more public death had taken place in China. In the spring of 1913, the nation’s newly elected representatives began traveling to parliamentary duties in Beijing [Peking], where Yuan Shikai had moved the capital. **On March 20, Song Jiaoren, leader of the recently triumphant Guomindang [Kuomintang], stood waiting on a train platform in Shanghai when a man emerged from the crowd and shot him at close range. He died two days later. The Shanghai police found and arrested the gunman, as well as a man named Ying Kuicheng who had hired the assassin.** In Ying’s home, detectives discovered secret communications sent to him by the secretary of Yuan Shikai’s cabinet. The seized documents – containing instructions such as “destroy Song and receive merit” – implicated Zhao Bingjun by name and Yuan Shikai by association and motive. At the time, Zhao Bingjun served in Yuan’s cabinet as the minister of internal affairs and provisional premier. The assassination successfully removed a rising politician who had threatened to curtail Yuan’s ambitions. Public anger erupted over the revealed plot. The Shanghai judiciary called for Zhao Bingjun to appear in court. This once close colleague of Ling Fupeng declared his innocence and tried to pin the blame on a cabinet secretary who went into hiding in the foreign concession area of Qingdao. Zhao avoided prosecution but took a forced leave from his position as premier. On July 16, 1913, Yuan Shikai called for his official resignation. **Guomindang members, infuriated by Song Jiaoren’s assassination, attempted to establish a second revolutionary government in Nanjing [Nanking], only to be defeated by Yuan’s military force.** In a new appointment with the Beijing police, Zhao Bingjun helped Yuan Shikai launch a campaign against the Guomindang. **Yuan declared martial law on July 21, 1913.** By October of 1913, soon after Ling Fupeng’s wives and children had settled into the house in Tianjin [Tientsin], Yuan forced the members of Parliament to elect him to a five-year presidential term. He then dismissed all of the Guomindang’s newly elected parliamentary members and banned the political activities of the party as seditious to national order. Sun Yatsen fled once again for Japan. In December, Ying Kuicheng, who had escaped from prison in Shanghai, showed up in Beijing to ask Yuan Shikai for the merits promised him for carrying out the plot against Song Jiaoren. On secret orders from Yuan Shikai, a detective trailed Ying and knifed him to death on a train traveling from Beijing to Tianjin in early January 1914. Unaware of the behind-the-scenes arrangements, Zhao Bingjun, who now served as the military governor of Zhili, put out a warrant for the arrest of Ying’s murderer and complained to Yuan Shikai that after this incident no one would be willing to “do things for the president.” Yuan feigned innocence and in February gave Zhao Bingjun a new appointment as leader of the Tianjin municipal government. Days later, Zhao Bingjun ate poisoned soup delivered to his office in Tianjin. Suffering immediately from diarrhea and dizziness, he lost consciousness. Blood seeped from all his orifices, and he died in what many suspected was another assassination arranged by Yuan Shikai to silence the last person with direct knowledge of the Song affair.”

– *A Thousand Miles of Dreams: The Journeys of Two Chinese Sisters* by Sasha Su-Ling Welland, p. 107-109



Chinese warlord Yuan Shih-kai (front row, third from left), the illegitimate President of the Republic of China (1912-1915, 1916), poses with American military and diplomatic representatives on the day of U.S. recognition of the Republic of China [Yuan Shih-kai regime] in Peking (Beijing) in **1913**. Yuan Shih-kai served as the illegitimate Emperor of China from January 1, 1916 until his death on June 6, 1916. **Chinese warlord Yuan Shih-kai was allegedly the mastermind behind the assassination of Sung Chiao-jen.**

Yale-in-China: A Political Intrigue?



Source: Manuscripts & Archives, Yale University Library
Produced for reference use only. (mssa.img.000961)

Former President of Yale University Timothy Dwight (left), U.S. President William Howard Taft (center), and President of Yale University Arthur Twining Hadley (right) walk together during a commencement at Yale University on June 21, 1911. **The Wuchang Uprising began in China on October 10, 1911.** All three men were members of Skull & Bones, a secret society at Yale University. (Source: Manuscripts & Archives, Yale University Library)

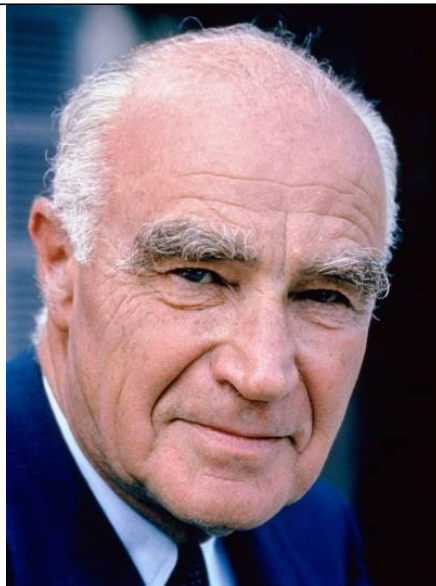
“In politics, nothing happens by accident. If it happens, you can bet it was planned that way.”
– Franklin Delano Roosevelt



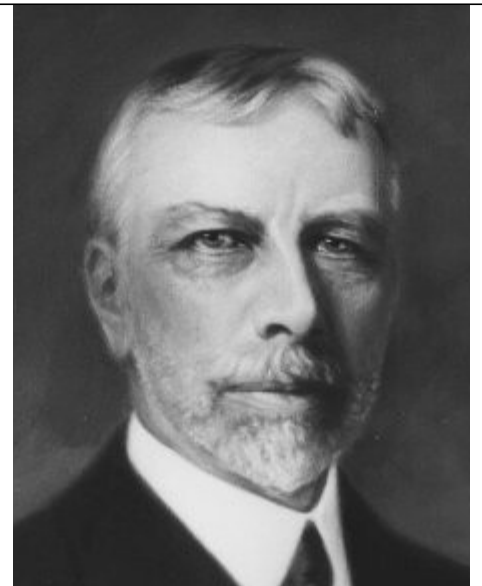
Yale University in New Haven, Connecticut, U.S.A.



H.H. Kung
M.A. Yale 1907
Governor of the Central Bank of China
(1933-1945);
Minister of Finance of the Republic of China
(1933-1945)



Henry R. Luce
B.A. Yale 1920
Editor-in-Chief of Time, Inc. (1923-1964);
born in mainland China in 1898



Arthur Twining Hadley
B.A. Yale 1876
President of Yale University (1899-1921)



Wu Ting Fang (left), Hong Kong envoy to the United States, stands beside **Amos Parker Wilder**, U.S. Consul-General in Hong Kong, in Washington D.C. on April 4, 1908. (Photo: <http://brbl-archive.library.yale.edu/exhibitions/orient/mod9.htm>)

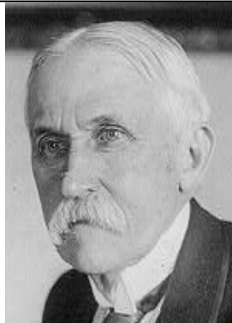


Yale-in-China faculty in Changsha, China

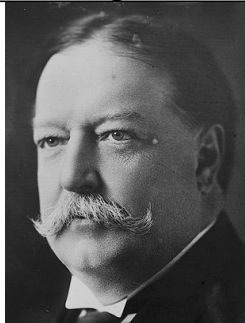
Skull & Bones Members and Their Occupation during The Chinese Revolution of 1911



Simeon E. Baldwin
B.A. Yale 1861
Governor of Connecticut
(January 4, 1911-
January 6, 1915)



Franklin MacVeagh
B.A. Yale 1862
U.S. Secretary of the
Treasury (1909-1913)



William Howard Taft
B.A. Yale 1878
President of the United
States (1909-1913)



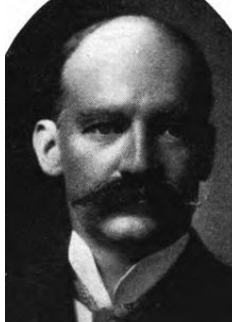
Henry L. Stimson
B.A. Yale 1888
U.S. Secretary of War
(May 22, 1911-
March 4, 1913)



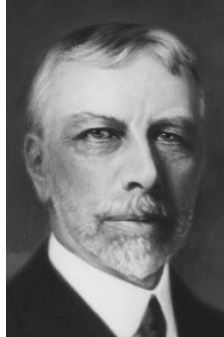
Amos Parker Wilder
B.A. Yale 1884
U.S. Consul-General in
Shanghai, China
(1909-1914)



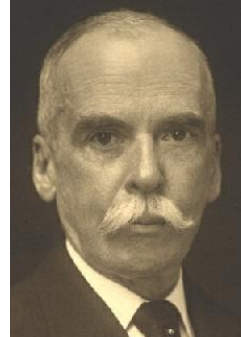
Andrew D. White
B.A. Yale 1853;
Ph.D. Jena 1889
Trustee of Carnegie
Endowment for
International Peace
(1910-1918)



**James Mulford
Townsend**
B.A. Yale 1874
General Counsel of E.I.
du Pont de Nemours
Powder Company
(1903-1913)



Arthur Twining Hadley
B.A. Yale 1876;
Ph.D. Univ. of Berlin 1910
President of Yale
University (1899-1921)



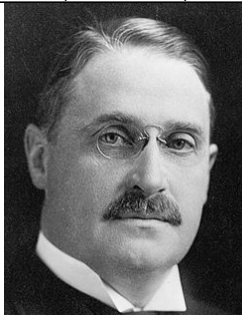
John W. Sterling
B.A. Yale 1864
Co-Founder and Member
of Shearman & Sterling
[law firm in New York City]
(1873-1918)



Henry Waters Taft
B.A. Yale 1880
Partner of Cadwalader,
Wickersham & Taft
[law firm in New York City]
(1899-1945)



George P. Wetmore
B.A. Yale 1867
U.S. Senator
(R-Rhode Island, 1895-
1907, 1908-1913)



Frank B. Brandegee
B.A. Yale 1885
U.S. Senator
(R-Connecticut, 1905-
1924)



Edwin F. Sweet
B.A. Yale 1871
U.S. Congressman
(D-Michigan,
1911-1913)



William Kent
B.A. Yale 1887
U.S. Congressman
(R-California, 1911-1917)



Francis Burton Harrison
B.A. Yale 1895
U.S. Congressman
(D-New York, 1903-1905,
1907-1913)



Otto T. Bannard
B.A. Yale 1876
President of New York
Trust Company
(1904-1916)



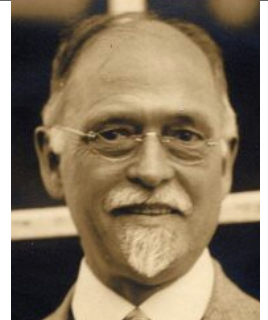
Pierre Jay
B.A. Yale 1892
Vice President of
Manhattan Company
(1909-1914)



LeBaron Bradford Colt
B.A. Yale 1868
Judge of the U.S. Court of
Appeals for the First
Circuit [Boston]
(1884-1913)



Henry S. Graves
B.A. Yale 1892
Chief of the U.S. Forest
Service (1910-1920)



Irving Fisher
B.A. Yale 1888
Professor of Political
Economy at Yale University
(1898-1935)

Skull & Bones and Chinese Revolution of October 10, 1911 (Wuchang Uprising)

Government Officials:

William Howard Taft (S&B 1878) – President of the United States (1909-1913)
Franklin MacVeagh (S&B 1862) – U.S. Secretary of the Treasury (1909-1913)
Henry L. Stimson (S&B 1888) – U.S. Secretary of War (May 22, 1911–March 4, 1913)
Amos Parker Wilder (S&B 1884) – U.S. Consul-General in Shanghai, China (1909-1914)
Thomas Lee McClung (S&B 1892) – Treasurer of the United States (1909-1912)
Henry S. Graves (S&B 1892) – Chief of the U.S. Forest Service (1910-1920)
Benjamin S. Cable (S&B 1895) – Assistant Secretary of Commerce and Labor (1909-1913)
Asa Palmer French (S&B 1882) – U.S. Attorney for the District of Massachusetts (1906-1914)
John Trumbull Robinson (S&B 1893) – U.S. Attorney for the District of Connecticut (1908-1912)
LeBaron Bradford Colt (S&B 1868) – Judge of the U.S. Court of Appeals for the First Circuit [Boston] (1884-1913)
George Chandler Holt (S&B 1866) – Judge of U.S. District Court for the Southern District of New York [New York City] (1903-1914)
George Peabody Wetmore (S&B 1867) – U.S. Senator (Republican Party-Rhode Island, 1895-1907, 1908-1913)
Frank Bosworth Brandegee (S&B 1885) – U.S. Senator (Republican Party-Connecticut, 1905-1924)
Edwin F. Sweet (S&B 1871) – U.S. Congressman (Democratic Party-Michigan, 1911-1913)
William Kent (S&B 1887) – U.S. Congressman (Republican Party-California, 1911-1917)
Francis Burton Harrison (S&B 1895) – U.S. Congressman (Democratic Party-New York, 1903-1905, 1907-1913); Governor General of the Philippines (1913-1921)
Simeon E. Baldwin (S&B 1861) – Governor of Connecticut (Democratic Party; January 4, 1911-January 6, 1915)
Arthur Leffingwell Shipman (S&B 1886) – Corporation Counsel of Hartford, Connecticut (1904-1908, 1910-1912)
William Herbert Corbin (S&B 1889) – Tax Commissioner of Connecticut (1907-1920)

Lawyers:

Thomas Thacher (S&B 1871) – Co-Founder and Member of Simpson, Thacher & Bartlett [law firm in New York City] (1875-1919)
Philip G. Bartlett (S&B 1881) – Partner of Simpson, Thacher & Bartlett (1890-1931)
Thomas Mills Day (S&B 1886) – Member of Simpson, Thacher & Bartlett (1898-1917)
Henry Waters Taft (S&B 1880) – Partner of Cadwalader, Wickersham & Taft [law firm in New York City] (1899-1945)
John William Sterling (S&B 1864) – Co-Founder and Member of Shearman & Sterling [law firm in New York City] (1873-1918)
Howard Mansfield (S&B 1871) – Senior Partner of Lord, Day & Lord (1908-1938)
Henry DeForest Baldwin (S&B 1885) – Member of Lord, Day & Lord [law firm in New York City] (1900-1947)
Charles Wheeler Pierson (S&B 1886) – Member of Alexander & Green [law firm in New York City] (1900-1929)
Charles Buxton Hobbs (S&B 1885) – Member of Gifford, Hobbs & Beard [law firm in New York City] (1904-1923)
Anson McCook Beard (S&B 1895) – Member of Gifford, Hobbs & Beard [law firm in New York City] (1903-1923)
John Loomer Hall (S&B 1894) – Member of Choate, Hall & Stewart [law firm in Boston] (1904-1960)
James Mulford Townsend (S&B 1874) – General Counsel of E.I. du Pont de Nemours Powder Company (1903-1913)

Businessmen:

Otto T. Bannard (S&B 1876) – President of New York Trust Company (1904-1916)
Pierre Jay (S&B 1892) – Vice President of Manhattan Company [New York City] (1909-1914)
Thomas Cochran (S&B 1894) – Vice President of Astor Trust Company (1906-1914)
Harry Payne Whitney (S&B 1894) – Member of the board of directors of Guaranty Trust Co. of New York (1899-1930)
Fairfax Harrison (S&B 1890) – President of Chicago, Indianapolis & Louisville Railway Company [in Chicago] (1910-1913)
Charles Hopkins Clark (S&B 1871) – President and Editor-in-Chief of *Hartford Courant* (1890-1926)

College Administrators and Professors:

Arthur Twining Hadley (S&B 1876) – President of Yale University (1899-1921)
Anson Phelps Stokes (S&B 1896) – Secretary of Yale University (1899-1921)
John C. Schwab (S&B 1886) – Librarian of Yale University (1905-1916)
James W. Williams (S&B 1908) – member of faculty of Yale-in-China at Changsha, China (1916-1922)

John Seymour Thacher (S&B 1877) – Professor of Clinical Medicine at Columbia University (1903-1918)
Walter Belknap James (S&B 1879) – Professor of Clinical Medicine at Columbia University (1909-1918)
Henry McMahon Painter (S&B 1884) – Professor of Clinical Obstetrics at Columbia University (1905-1920)
Alexander Lambert (S&B 1884) – Professor of Clinical Medicine at Cornell University (1898-1931)
John Rogers (S&B 1887) – Professor of Clinical Surgery at Cornell University Medical College (1909-1926)
Frederick B. Percy (S&B 1877) – Professor of Clinical Medicine at Boston University Medical School (1909-1915)
Henry Walcott Farnam (S&B 1874) – Professor of Political Economy at Yale University (1880-1912)
Irving Fisher (S&B 1888) – Professor of Political Economy at Yale University (1893-1935)
Clive Day (S&B 1892) – Professor of Economic History at Yale University (1907-1936)

Organization Executives:

Andrew D. White (S&B 1853) – Trustee of Carnegie Endowment for International Peace (1910-1918)
Chauncey B. Brewster (S&B 1868) – Protestant Episcopal Bishop for the Episcopal Diocese of Connecticut (1899-1928)
Sidney C. Partridge (S&B 1880) – Protestant Episcopal Bishop for the Episcopal Diocese of Western Missouri (1911-1930)
Dwight Huntington Day (S&B 1899) – Treasurer of the Board of Foreign Missions of the Presbyterian Church in the U.S.A. (1906-1924)
Henry Albert Stimson (S&B 1865) – Pastor of Manhattan Church in New York City (1896-1917)
Joseph D. Burrell (S&B 1881) – Pastor of Classon Avenue Church in Brooklyn [New York City] (1892-1919)
Herbert Wetmore Wells (S&B 1889) – Minister of St. Andrew's Church in Wilmington, Delaware (1900-1913)
Alan McLean Taylor (S&B 1902) – Rector of the Church of the Holy Spirit, Mattapan in Boston (1908-1930)

Yale University Graduates and the Chinese Revolution of 1911 (Wuchang Uprising; October 10, 1911)

Government Officials:

William Howard Taft (B.A. 1878, S&B 1878) – President of the United States (1909-1913)
 Franklin MacVeagh (B.A. 1862, S&B 1862) – Secretary of the Treasury (1909-1913)
 Henry L. Stimson (B.A. 1888, S&B 1888) – Secretary of War (May 22, 1911–March 4, 1913)
 Amos Parker Wilder (B.A. 1884, Ph.D. 1892, S&B 1884) – U.S. Consul-General in Shanghai, China (1909-1914); Vice-President of Yale-in-China (1910-1913)
 Thomas Lee McClung (B.A. 1892, S&B 1892) – Treasurer of the United States (1909-1912)
 Henry S. Graves (B.A. 1892, S&B 1892) – Chief of the U.S. Forest Service (1910-1920)
 Huntington Wilson (B.A. 1897) – Assistant Secretary of State (1909-1913)
 Benjamin S. Cable (B.A. 1895, S&B 1895) – Assistant Secretary of Commerce and Labor (1909-1913)
 Chandler P. Anderson (B.A. 1887, S&K 1887) – State Department Counselor (1910-1913); Legal Adviser for U.S. Department of State (1914-1915)
 Herbert Knox Smith (B.A. 1891) – U.S. Commissioner of Corporations, U.S. Department of Commerce and Labor (1907-1912)
 Asa Palmer French (B.A. 1882, S&B 1882) – U.S. Attorney for the District of Massachusetts (1906-1914)
 John Trumbull Robinson (B.A. 1893, S&B 1893) – U.S. Attorney for the District of Connecticut (1908-1912)
 William Williams (B.A. 1884) – U.S. Commissioner of Immigration for the Port of New York at Ellis Island (1902-1905, 1909-1913)
 George Peabody Wetmore (B.A. 1867, S&B 1867) – U.S. Senator (R-Rhode Island, 1895-1907, 1908-1913)
 Frank Bosworth Brandegee (B.A. 1885, S&B 1885) – U.S. Senator (R-Connecticut, 1905-1924)
 Edwin F. Sweet (B.A. 1871, S&B 1871) – U.S. Congressman (D-Michigan, 1911-1913)
 William Kent (B.A. 1887, S&B 1887) – U.S. Congressman (R-California, 1911-1917)
 Francis Burton Harrison (B.A. 1895, S&B 1895) – U.S. Congressman (D-New York, 1903-1905, 1907-1913)
 LeBaron Bradford Colt (B.A. 1868, S&B 1868) – Judge of the U.S. Court of Appeals for the First Circuit [Boston] (1884-1913)
 Robert W. Archbald (B.A. 1871, S&K 1871) – Judge of U.S. Court of Appeals for the Third Circuit [Philadelphia] (Jan. 31, 1911-Jan. 13, 1913)
 George Chandler Holt (B.A. 1866, S&B 1866) – Judge of U.S. District Court for the Southern District of New York [New York City] (1903-1914)
 Thomas Chatfield (B.A. 1893) – Judge of the U.S. District Court for the Eastern District of New York (1907-1922)
 James Perry Platt (B.A. 1873, S&K 1873) – Judge of the U.S. District Court for the District of Connecticut (1902-1913)
 Edward G. Bradford II (B.A. 1868) – Judge of the U.S. District Court for the District of Delaware (1897-1918)
 Simeon E. Baldwin (B.A. 1861, S&B 1861) – Governor of Connecticut (Democrat, January 4, 1911-January 6, 1915)
 Edward Laurence Smith (B.A. 1897) – Mayor of Hartford, Connecticut (1910-1912); U.S. Attorney for the District of Connecticut (1920-1923)
 Arthur Leffingwell Shipman (B.A. 1886, LL.B. 1888, S&B 1886) – Corporation Counsel of Hartford, Connecticut (1904-1908, 1910-1912)
 Walter F. Frear (B.A. 1885) – Governor of Territory of Hawaii (1907-1913)
 John Albert Matthewman (B.A. 1894) – Chief Justice of the Supreme Court of Hawaii (1904-1919)
 Almet Francis Jenks (B.A. 1875, S&B 1875) – Justice of the Supreme Court of New York (1898-1924)
 John Proctor Clarke (B.A. 1878) – Justice of the Supreme Court of New York (1901-1926)
 Hong Yen Chang [Kang-jen Chang] (B.A. 1883) – Chinese Consul at Vancouver, British Columbia, Canada (1910-1913)

Lawyers, Businessmen, and Professors:

Thomas Thacher (B.A. 1871, S&B 1871) – Co-Founder and Member of Simpson, Thacher & Bartlett [law firm in New York City] (1875-1919)
 Philip G. Bartlett (B.A. 1881, S&B 1881) – Partner of Simpson, Thacher & Bartlett (1890-1931)
 Thomas Mills Day (B.A. 1886, LL.B. 1888, S&B 1886) – Member of Simpson, Thacher & Bartlett (1898-1917)
 Henry Waters Taft (B.A. 1880, S&B 1880) – Partner of Cadwalader, Wickersham & Taft [law firm in New York City] (1899-1945)
 John William Sterling (B.A. 1864, S&B 1864) – Co-Founder and Member of Shearman & Sterling [law firm in New York City] (1873-1918)
 John Anson Garver (B.A. 1875, S&K 1875) – Partner (1884-1918) and Senior Partner (1918-1936) of Shearman & Sterling
 Howard Mansfield (B.A. 1871, S&B 1871) – Senior Partner of Lord, Day & Lord (1908-1938)
 Henry DeForest Baldwin (B.A. 1885, S&B 1885) – Member of Lord, Day & Lord [law firm in New York City] (1900-1947)
 Charles Wheeler Pierson (B.A. 1886, S&B 1886) – Member of Alexander & Green [law firm in New York City] (1900-1929)
 Frederick Kingsbury Curtis (B.A. 1884) – Member of Curtis, Mallet-Prevost, Colt & Mosle [law firm in New York City] (1889-1926)
 James Mulford Townsend (B.A. 1874, S&B 1874) – General Counsel of E.I. du Pont de Nemours Powder Company (1903-1913)
 Otto T. Bannard (B.A. 1876, S&B 1876) – President of New York Trust Company (1904-1916)
 Pierre Jay (B.A. 1892, S&B 1892) – Vice President of Manhattan Company [New York City] (1909-1914)
 Thomas Cochran (B.A. 1894, S&B 1894) – Vice President of Astor Trust Company (1906-1914)
 Robert W. Huntington Jr. (B.A. 1889, S&K 1889) – President of Connecticut General Life Insurance Co. (1901-1936)
 Harry Payne Whitney (B.A. 1894, S&B 1894) – Member of the board of directors of Guaranty Trust Co. of New York (1899-1930)
 Marshall Jewell Dodge (B.A. 1898, S&K 1898) – Partner of Bertron, Griscom & Company, Inc., international financiers (1907-1930)
 Charles Hopkins Clark (B.A. 1871, S&B 1871) – President and Editor-in-Chief of *Hartford Courant* (1890-1926)

Arthur Twining Hadley (B.A. 1876, S&B 1876) – President of Yale University (1899-1921)
 George E. Vincent (B.A. 1885, S&K 1885) – President of University of Minnesota (1911-1917)
 Anson Phelps Stokes (B.A. 1896, S&B 1896) – Secretary of Yale University (1899-1921)
 George Dutton Watrous (B.A. 1879, LL.B. 1883) – Professor of Law at Yale Law School (1895-1920)
 Henry Walcott Farnam (B.A. 1874, S&B 1874) – Professor of Political Economy at Yale University (1880-1912)
 Irving Fisher (B.A. 1888, Ph.D. 1891, S&B 1888) – Professor of Political Economy at Yale University (1893-1935)
 Clive Day (B.A. 1892, Ph.D. 1899, S&B 1892) – Professor of Economic History at Yale University (1907-1936)
 George Chase (B.A. 1870, valedictorian) – Dean of New York Law School (1891-1924)
 James W. Williams (B.A. 1908, S&B 1908) – member of faculty of Yale-in-China at Changsha, China (1916-1922)
 Edward Hicks Hume (B.A. Yale 1897, M.D. Johns Hopkins Univ. 1901) – Senior Physician of Yale Hospital in Changsha, China (1906-1923)
 [Charles] Brownell Gage (B.A. 1898, Ph.D. 1924) – Dean of Yali [Yale] Collegiate School in Changsha, China (1906-1914)
 Edward Bliss Reed (B.A. 1894, Ph.D. 1896) – Trustee of Yale-in-China (1910-1930)
 Lewis Sheldon Welch (B.A. 1889, S&K 1889) – Member of the council of Yale-in-China (1908-1934)
 Cortlandt Whitehead (B.A. 1863) – Grand Chaplain of the Grand Lodge of Pennsylvania Free and Accepted Masons (1883-1921)
 Chauncey B. Brewster (B.A. 1868, S&B 1868) – Protestant Episcopal Bishop for the Episcopal Diocese of Connecticut (1899-1928)
 Frederic W. Keator (B.A. 1880, LL.B. 1882, S&K 1880) – Protestant Episcopal Bishop for the Episcopal Diocese of Olympia, Washington (1902-1924)
 Sidney C. Partridge (B.A. 1880, S&B 1880) – Protestant Episcopal Bishop for the Episcopal Diocese of Western Missouri (1911-1930)
 Dwight Huntington Day (B.A. 1899, S&B 1899) – Treasurer, Board of Foreign Missions of the Presbyterian Church in the U.S.A. (1906-1924)
 Andrew D. White (B.A. 1853, S&B 1853) – Trustee of Carnegie Endowment for International Peace (1910-1918)

Skull & Bones and the Chinese Civil War (1927-1949)

Henry L. Stimson (B.A. 1888, S&B 1888) – U.S. Secretary of War (1911-1913, 1940-1945); U.S. Secretary of State (1929-1933)
W. Averell Harriman (B.A. 1913, S&B 1913) – U.S. Secretary of Commerce (1946-1948); U.S. Ambassador to the Soviet Union (1943-1946)
Robert A. Lovett (B.A. 1918, S&B 1918) – Deputy U.S. Secretary of Defense (1949-1951); Under U.S. Secretary of State (1947-1949)

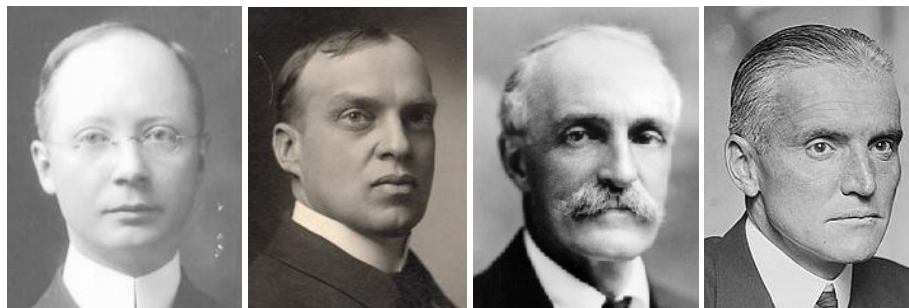
Henry R. Luce (B.A. 1920, S&B 1920) – Editor-in-Chief of *Time* magazine (1923-1964); born in mainland China
George L. Harrison (B.A. 1910, S&B 1910) – President of the Federal Reserve Bank of New York (1928-1940); President of New York Life Insurance Co. (1941-1948)
Harold Stanley (B.A. 1908, S&B 1908) – President of Morgan, Stanley & Co. (1935-1941); Partner of J.P. Morgan & Co. (1928-1935)
Harry [Henry] P. Davison Jr. (B.A. 1920, S&B 1920) – Partner (1929-1940) and Vice President (1940-1942) of J.P. Morgan & Co.
Pierre Jay (B.A. 1892, S&B 1892) – Chairman of the board of Fiduciary Trust Company [New York City] (1930-1945); Chairman of the Federal Reserve Bank of New York (1914-1926)
Mortimer Norton Buckner (B.A. 1895, S&B 1895) – Chairman of the board of New York Trust Company (1921-1942)
Artemus L. Gates (B.A. 1918, S&B 1918) – President of New York Trust Co. (1929-1941)
Prescott S. Bush (B.A. 1917, S&B 1917) – Partner of Brown Brothers Harriman & Co. (1931-1972)
E. Roland Harriman (B.A. 1917, S&B 1917) – Partner of Brown Brothers Harriman & Co. (1931-1978)
Knight Woolley (B.A. 1917, S&B 1917) – Partner of Brown Brothers Harriman & Co. (1931-1982)
Ray Morris (B.A. 1901, S&B 1901) – Partner of Brown Brothers Harriman & Co. (1931-1956)

Robert A. Taft (B.A. 1910, S&B 1910) – U.S. Senator (R-Ohio, 1939-1953)
John Sherman Cooper (B.A. 1923, S&B 1923) – U.S. Senator (R-Kentucky, 1946-1949; 1952-1955; 1956-1973)
James Wolcott Wadsworth Jr. (B.A. 1898, S&B 1898) – U.S. Congressman (R-New York, 1933-1951)
John Martin Vorys (B.A. 1918, S&B 1918) – U.S. Congressman (R-Ohio, 1939-1959)
William Howard Taft (B.A. 1878, S&B 1878) – Chief Justice of the U.S. Supreme Court (1921-1930)
Charles Seymour (B.A. 1908, Ph.D. 1911, S&B 1908) – Provost of Yale University (1927-1937); President of Yale University (1937-1950)

Yale Graduates & China

Peter Parker (B.A. 1831) – U.S. Commissioner to China (1856-1857)
Amos Parker Wilder (B.A. 1884; S&B 1884) – U.S. Consul-General in Hong Kong (1906-1909); U.S. Consul-General in Shanghai (1909-1914)
Howard Donovan (Ph.B. 1920) – U.S. Consul in Kobe, Japan (1929-1936); U.S. Consul in Hong Kong (1936-1939); U.S. Consul in Bombay, India (1939-1946)
Richard Tucker Ewing (B.A. 1940, S&K 1940) – Second Secretary of the U.S. Embassy in Taipei, Republic of China [Taiwan] (1951-1956)
George H.W. Bush (B.A. 1948, S&B 1948) – U.S. Liaison Officer to Communist China (1974-1975)
Winston Lord (B.A. 1959, S&B 1959) – U.S. Ambassador to Communist China (1985-1989)
James R. Lilley (B.A. 1951) – U.S. Ambassador to Communist China (1989-1991)
Clark T. Randt Jr. (B.A. 1968) – U.S. Ambassador to Communist China (2001-2009)
Gary Locke (B.A. 1972) – U.S. Ambassador to Communist China (2011-2014)

Francis Eben Woodruff (B.A. 1864, S&B 1864) – Commissioner of Imperial Maritime Customs Service of China (1865-1897)
James Boyd Neal (B.A. 1877) – President of Union Medical College in Chinanfu, China
Edwin Edgerton Aiken (B.A. 1881, S&B 1881) – Congregational minister, missionary, and educator in China (1885-1928); Editor of Peking Union Church *Bulletin* (1928-1943)
Charles Brownell Gage (B.A. 1898) – Dean of Yale Collegiate School in Changsha, China
Anson P. Stokes (B.A. 1896, S&B 1896) – Secretary of Yale University (1899-1921); former Chairman of the board of trustees of Yale-in-China
Edwin Carlyle Lobenstine (B.A. 1895) – President of Yale-in-China Association (1935-1944); Member of the board of directors of University of Nanking [China] (1912-1935); Secretary of the National Christian Council of China (1922-1935); Chairman of China Medical Board, Inc. [New York City] (1936-1945); Secretary of China Christian Education Association (1924-1935)
William Payne Roberts (B.A. 1909) – Pastor of St. Paul's Church in Nanking, China (1923-1937); Bishop of the Missionary District of Shanghai of the American Church Mission in China (1937-1950)
William Reginald Wheeler (B.A. 1911) – Executive Secretary of Yale-in-China (1947-1949); Secretary of Presbyterian Board of Foreign Missions (1938-1942); Executive Secretary of Presbyterian Board of Foreign Missions (1923-1932)
Y.C. James Yen (B.A. 1918) – Founder and General Director of Chinese National Association of Mass Education Movement in Peiping [Beijing], China (1924-1951)



Left to right: Edward Hicks Hume, Amos Parker Wilder, Gifford Pinchot, Frank Lyon Polk

Yale-in-China Trustees and Members

Samuel Clarke Bushnell (B.A. 1874, S&B 1874) – **Trustee of Yale-in-China (1921-1930)**

Henry Walcott Farnam (B.A. 1874, S&B 1874) – Member of the council of Yale-in-China (1924-1933); Prof. of Economics at Yale (1912-1918)

Danford Newton Barney (B.A. 1881, S&B 1881) – Member of the council of Yale-in-China (1921-1933)

Harlan Page Beach (B.A. 1878) – missionary under the American Board at Tung-chau, China (1883-1889); helped locate Yale-in-China at Changsha, Hunan, China in 1904; member of executive committee of Yale-in-China (1902-1916); **Trustee of Yale-in-China (1916-1932)**

Frederick Wells Williams (B.A. 1879, Wolf's Head 1879) – **Chairman of board of trustees of Yale-in-China (1917-1928)**; instructor in Oriental history at Yale (1893-1900); assistant professor of modern Oriental history at Yale (1900-1925); great-grandson of Thomas Williams, a member of the Boston Tea Party and a Minute Man at Lexington; married to Fanny Hapgood Wayland, granddaughter of Francis Wayland, President of Brown University

Charles Franklin Bliss (B.A. 1880) – **Trustee of Yale-in-China (1922-1942)**; chairman of the finance committee (1931-1942) and honorary trustee (1942-1947) of Yale-in-China; director of Connecticut Society for Mental Hygiene (1929-1934); Treasurer (1929-1931) and honorary vice-president (1934-1947) of Connecticut Society for Mental Hygiene; Treasurer (1894-1912), President (1912-1928), and member of the board of directors (1928-1945) of Farrel Foundry and Machine Company (later Farrel-Birmingham Company, Inc) in Ansonia, Connecticut

Amos Parker Wilder (B.A. 1884, Ph.D. 1892, S&B 1884) – executive secretary and treasurer of Yale-in-China in New Haven, Connecticut (1914-1920); Vice-President of Yale-in-China (1910-1913); **Trustee of Yale-in-China (1918-1930)**; U.S. Consul-General in Hong Kong (1906-1909); U.S. Consul-General in Shanghai (1909-1914)

Gifford Pinchot (B.A. 1889, S&B 1889) – Member of the council of Yale-in-China (1926-1930); Governor of Pennsylvania (1923-27, 1931-35)

William Ellery Sedgwick James (B.A. 1917, S&B 1917) – Member of the council of Yale-in-China (1923-1932); Partner of Brown Brothers Harriman & Co. (1931-1932)

Lewis Sheldon Welch (B.A. 1889, S&K 1889) – President and Treasurer of Lewis S. Welch, Inc, general insurance in New Haven, Connecticut (1928-1940); member of the executive committee of Yale-in-China (1903-1908); member of the council of Yale-in-China (1908-1934); secretary of Kingsley Trust Association (1898-1908)

Edward Bliss Reed (B.A. 1894, Ph.D. 1896) – tutor in English at Yale University (1897-1900); instructor of English at Yale University (1900-1902), assistant professor of English at Yale University (1902-1926); associate professor of English at Yale University (1926-1929); director of division of education at The Commonwealth Fund (1927-1940); executive secretary of Yale-in-China (1902-1909); member of the council of Yale-in-China (1909-1910); **Trustee of Yale-in-China (1910-1930)**; honorary trustee of Yale-in-China (1930-1940); President of Yale-in-China (1928-1932); deputy commissioner (with rank of major) American Red Cross Commission in Palestine (January-July 1919)

Frank Lyon Polk (B.A. 1894, S&K 1894) – Member of the council of Yale-in-China (1927-1931); President of Kingsley Trust Association (1926-1928); Member of Davis, Polk, Wardwell, Gardiner & Reed [law firm in New York City] (1914-1943); Under U.S. Secretary of State (1919-1920)

Edwin Carlyle Lobenstine (B.A. 1895) – **President of Yale-in-China Association (1935-1944)**; Member of the board of directors of University of Nanking [China] (1912-1935); Secretary of the National Christian Council of China (1922-1935); Chairman of China Medical Board, Inc. [New York City] (1936-1945); Secretary of China Christian Education Association (1924-1935)

Edward Hicks Hume (B.A. Yale 1897, M.D. Johns Hopkins Univ. 1901) – Senior Physician of Yale Hospital in Changsha, China (1906-1923); Dean of Hunan-Yale Medical College (1914-1927); President of Colleges of Yale-in-China (1923-1927); Founder and organizer of Hospital and Medical College of Yale-in-China in Changsha, China; Secretary and Treasurer of Yale-in-China Association (1920-1921); General Secretary of Yale-in-China Association (1921-1924); **Trustee of Yale-in-China Association (1927-1954)**; Chairman of the Board of Yale-in-China Association (1933-1934); President of the of Yale-in-China Association (1934-1936); Vice-President of Yale-in-China Association (1955-1957)

Charles Brownell Gage (B.A. 1898, Ph.D. 1924) – sent to Changsha by Yale Foreign Missionary Society 1904 and worked in China in association with Yale-in-China (1904-1924); a founder of Yali in Changsha (1904-1906) and chairman of the governing board of Yali in Changsha (1911-1924); dean of Collegiate School, Yali in Changsha (1906-1914); an organizer College of Arts, Yali in Changsha (1914), dean, Yali in Changsha (1914-1923), and provost, Yali in Changsha (1923-1924); taught education and psychology, Yali in Changsha (1918-1924), chairman academic faculties (1922-1924); trustee of Hunan-Yale Medical College (1913-1923); President of Hunan Christian Educational Association; headmaster of Suffield Academy [Connecticut] (1924-1939); **Trustee of Yale-in-China Association (1926-1945)**

Robert Haskell Cory (B.A. 1902) – **Trustee of Yale-in-China (1916-1947)**; governor of Yale Publishing Association (1919-1924); Vice-President (1910-1936) and President (1936-1947) of Lamont, Corliss & Company [manufacturers' agent in New York City]; President of O'Sullivan Rubber Company (1910-1943)

Lansing P. Reed (B.A. 1904, S&B 1904) – **Trustee of Yale-in-China (1928-1937)**; Member of Davis, Polk, Wardwell, Gardiner & Reed [law firm in New York City] (1915-1937)

William Reginald Wheeler (B.A. 1911) – **Executive Secretary of Yale-in-China (1947-1949)**; Secretary of Presbyterian Board of Foreign Missions (1938-1942); Executive Secretary of Presbyterian Board of Foreign Missions (1923-1932)

Yale Students and China

Wang Cheng-ting [C.T. "Thomas" Wang] (B.A. Yale 1910) – Foreign Minister of the Republic of China (1922)

Tang Yu Loo (B.A. Yale 1920) – Professor of English literature at Southeastern University, Shanghai; secretary to T.V. Soong; died in Shanghai on July 20, 1931 after he received gunshot wounds during an assassination attempt on T.V. Soong

Liang Tun Yen (B.A. Yale 1882) – Minister of Communications of China [Yuan Shih-kai regime] (1914-1916); President of the Board of Foreign Affairs of Imperial China (1909-1910, 1911); Comptroller-General of the Imperial Maritime Customs (1907); died in Peking on May 11, 1924

Lee Teng-hwee (B.A. Yale 1899) – Professor of Latin and English Literature at National Fuh Tan University in Shanghai (1905); Dean of National Fuh Tan University (1905-1911); President of National Fuh Tan University (1912-1945); President of National Anti-Opium Association (1928-1930); Commissioner of the Chinese Republican [Nationalist] Government's Opium Suppression Commission (1928-1930); President of the Yale Club of Shanghai (1921-1923)

Tsao Yun-siang (B.A. Yale 1911, M.B.A. Harvard 1914) – Acting Consul General of the Chinese Legation in London (1917-1919); first secretary Chinese Legation at Copenhagen 1920 and *charge d'affaires* (1920-1921); President of Tsing Hua College (1922-1928); member economic research committee of the Central Bank of China (1934-1937); liaison officer British-American Tobacco Company, Shanghai (1908-1933); chairman of the board of directors of the Shanghai Y.M.C.A. (1933-1937); director China Institute of International Relations and editor-in-chief of its *China Quarterly* (in English); vice-president of Yale-in-China (1925-1929); Died in Shanghai, China on February 8, 1937

George Henry Hubbard (B.A. Yale 1881) – missionary of the American Board in China, stationed in Foochow (1885-1891) and Fukien province (1891-1925); taught in the Union Theological Seminary at Foochow and served as superintendent of Ponasong Hospital; President of United Society of Christian Endeavor for China (1900-1905); secretary of Foochow Missionary Union (1888-1890)

George Edgar Vincent (B.A. Yale 1885, S&K 1885) – Trustee of Peking Union Medical College (1917-1929); Trustee of China Medical Board (1930-1938); President of Rockefeller Foundation (1917-1929)

John Cornelius Griggs (B.A. Yale 1889, S&B 1889) – Professor of English at Canton Christian College (now Lingnan University) in Canton, China (1919-1927)

Daniel Trumbull Huntington (B.A. Yale 1892) – Protestant Episcopal Bishop for the Episcopal Diocese of Anking, China (1912-1940)

Frank Arthur Keller (B.A. Yale 1892) – medical missionary for China Inland Mission in Hunan province, China (1897-1918); organizer of Hunan Bible Institute in Changsha, China (1918); superintendent of Hunan Bible Institute in Changsha, China (1918-1940)

Henry Winters Luce (B.A. Yale 1892) – missionary in Shantung Province, China (1897-1904); instructor at Shantung Christian (Cheeloo) University (1904-1916); vice-president of Shantung Christian (Cheeloo) University (1916-1917); secretary of China Christian Educational Association (1917-1919); vice-president of Yenching University (1920-1928); father of *Time* magazine Editor-in-Chief Henry R. Luce (B.A. Yale 1920)

Edwin Carlyle Lobenstine (B.A. Yale 1895) – President of Yale-in-China Association (1935-1944); Member of the board of directors of University of Nanking [China] (1912-1935); Secretary of the National Christian Council of China (1922-1935); Chairman of China Medical Board, Inc. [New York City] (1936-1945); Secretary of China Christian Education Association (1924-1935)

Louis Cleveland Jones (B.A. Yale 1896) – President of Chemical Engineering Corporation in New York City (1929-1933); President of China Chemical Industries in Shanghai, China (1933-1936)

Luther Anderson (B.A. Yale 1903, M.A. Yale 1904, Ph.D. Yale 1907) – Professor of European History at Imperial University in Peiping [Peking], China, 1907-1911); special correspondent for *Chicago Daily News* in Peiping (1911-1914)

Elmer Yelton (B.A. Yale 1905) – Young Men's Christian Association worker (1907-1923); general secretary of YMCA in Mukden, China (1912-1914)

Edwin Deeks Harvey (B.A. Yale 1907, Ph.D. Yale 1924) – Instructor in social sciences at Yale-in-China in Changsha, China (1911-1916); Professor of Sociology at Yale-in-China in Changsha, China (1916-1927)

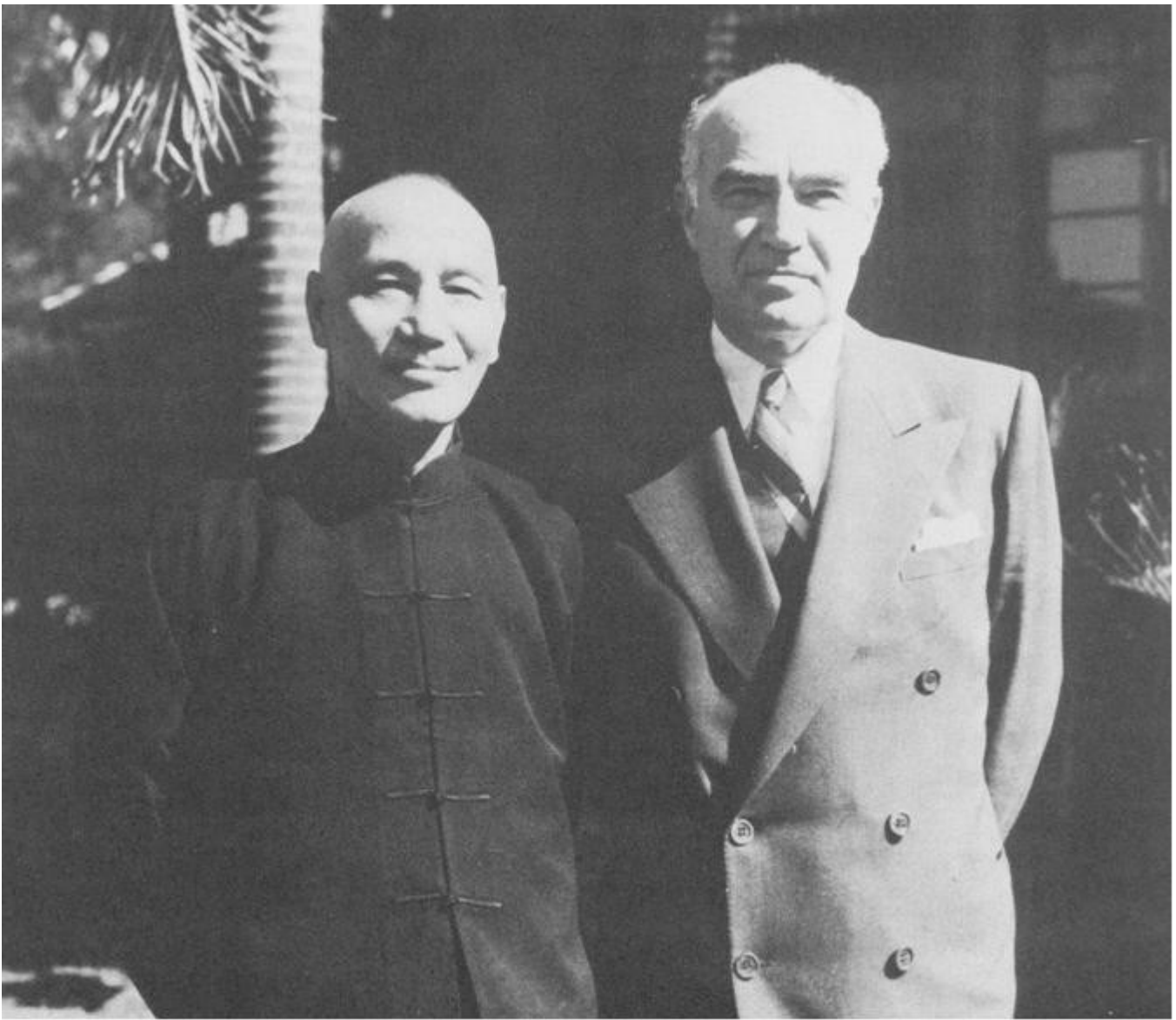
William Payne Roberts (B.A. Yale 1909) – Pastor of St. Paul's Church in Nanking, China (1923-1937); Bishop of the Missionary District of Shanghai of the American Church Mission in China (1937-1950)

William Reginald Wheeler (B.A. Yale 1911) – Executive Secretary of Yale-in-China (1947-1949); Secretary of Presbyterian Board of Foreign Missions (1938-1942); Executive Secretary of Presbyterian Board of Foreign Missions (1923-1932)

James Bliss Gray (B.A. Yale 1920) – taught English, athletics, and music at Yale-in-China in Changsha, China (1920-1921)

Edward V. Gulick (B.A. Yale 1937, M.A. Yale 1942, Ph.D. Yale 1947) – English Teacher at Yale-in-China in Changsha, China (1937-1939); Professor of European History and Far Eastern History at Wellesley College [Massachusetts] (1961-c.1976)

Edwin Chester Jones (B.A. Wesleyan 1904, M.A. Yale 1911) – in 1904 Went to Foochow, China, under the Methodist Episcopal Board of Foreign Missions and taught science in the Anglo-Chinese College in Foochow, China [capital of Fukien Province] (1904-1910); Professor of Chemistry in the Anglo-Chinese College in Foochow, China (1911-1915); President of Fukien Christian University in Foochow, China (1915-1923); Died in Baltimore, Maryland on May 30, 1924



Henry Luce (right), Co-Founder and the Editor-in-Chief of *Time* magazine, appears with Generalissimo Chiang Kai-shek (蔣中正 / 蔣介石), the President of the Republic of China. Henry Luce was born in China in 1898 and spent most of his childhood in China. (Photo: *Luce and His Empire* by W.A. Swanberg)



President Hu Jintao (胡锦涛) of Communist China and Yale University (耶鲁大学) President Richard C. Levin both said that cultural and education exchanges among young people are key to developing stronger ties between Yale and Communist China. (Photo: Yale University; <http://www.yale.edu/opa/arc-ybc/v34.n28/story5.html>)



Time magazine editor-in-chief Henry Luce and H. H. Kung appear at the opening of China House. H. H. Kung was the Minister of Finance of the Republic of China [Nationalist China] and the Governor of the Central Bank of China during World War II. Kung was married to Soong Ailing; Kung's brother-in-laws were Sun Yat-sen and Chiang Kai-shek. (Photo: *Luce and His Empire* by W.A. Swanberg)



Source: Manuscripts & Archives, Yale University Library
Produced for reference use only. (mssa.img.005602)

Yale-in-China Association Governing Board circa 1923. Left to Right: William J. Hail, John H. Foster, Fu Chun Yen, Fu Liang Chang, Dickson H. Leavens, V. R. B. Branch, Ed Harney, Nina D. Gage, Brownell Gage, Harold Smith.
(Photo: Manuscripts & Archives, Yale University Library)



Source: Manuscripts & Archives, Yale University Library
Produced for reference use only. (mssa.img.392)

Yale graduates appear in Changsha, China prior to Japan's invasion on September 20, 1937. From left to right: Minotte M. Chatfield (Yale B.A., 1936); Liu Szu-fu; Sidney E. Sweet, Jr. (Yale B.A., 1936); John F.B. Runnalls (Yale B.A., 1937, member of Skull & Bones); Edward V. Gulick (Yale. B.A., 1937, M.A., 1942, and Ph.D., 1947); and Burton B. Rogers (Yale B.A., 1930, M.A., 1937). Changsha is the capital of Hunan province in China. (Photo: Manuscripts & Archives, Yale University Library)



Dr. Edward H. Hume (2nd from right) and Dr. Fu Chun Yen appear with officials in Peking in 1913 at time of Hsiang-Ya Agreement and Negotiations. (Source: Manuscripts & Archives, Yale University Library/ Yale-in-China Association)



Induction of Dr. Edward H. Hume as President of Yale-In-China in Changsha, China on October 3, 1924. Among those in photo are Woodbridge Bingham, J.R. Bromwell Branch, Fu-Liang Chang, Orrin Corwin, Henry Farnam, John Foster, Malcolm Frost, William J. Hail, Edward H. Hume, Dickson Leavens, Ralph Powell, Thomas Vennum ?, C. Lester Walker, Louis Farnam Wilson. (Source: Manuscripts & Archives, Yale University Library)



Dr. Edward H. Hume and Dr. Hon face the camera as a hospital orderly looks in another direction at Yale Medical Court in Changsha, China. Dr. Edward H. Hume was a member of the Council on Foreign Relations. (Source: Manuscripts & Archives, Yale University Library)

“By the time he did return to Changsha, he had turned a crucial corner in his intellectual and political development. “By the summer of 1920,” he later recalled, “I had become, in theory and to some extent in action, a Marxist, and from this time on I considered myself a Marxist.” He brought back from Peking to Changsha a number of Communist books which he set about distributing in a new venture which he formed in July called the Cultural Book Society. Professor Yang’s widow, at their daughter’s suggestion, handed over to Mao the money which the university had given her on her husband’s death, in order to help him start it. Mao’s introductory announcement explained that, “at present the Hunan people are starving in their minds, which is actually worse than starving in their stomachs.” Mao helped to raise funds and gain patrons from various circles in Changsha society, and even persuaded the new governor to write the characters for its nameplate. On 2 August the Society used a room in the primary school where Mao worked for its inaugural meeting, at which Mao became one of the twenty-seven investing shareholders who put up a total of 519 yuan, as well as one of the three directors. He became the Society’s “special negotiator,” and ensured its early success though having a network of reliable progressive representatives across the province. Since it was in business, the Society was able to borrow money, and could thus be depended on to help Mao and his comrades in their political activities whenever they needed it. But Mao was very insistent that the Book Society should keep its accounts properly and in good time. **It took premises in a building owned by Yale-in-China.**” – *The People’s Emperor: Mao, A Biography of Mao Tse-tung* by Dick Wilson (1980), p. 79-80



Warren Bartlett Seabury (left), B.A. Yale College 1900, was one of the founders of the Yale Mission College in Changsha, China. Brownell Gage (right), B.A. Yale College 1898 and M.A., 1911, served in China from 1904 to 1923 and was a trustee of Yale-in-China from 1929 to 1946. (Photo: Manuscripts & Archives, Yale University Library)

“The period 1920-1921 was a time of aligning thought and action. It brought a new focus to his political life. It also brought pain to certain of his relationships. He pushed ahead with May Fourth-type projects. He started a Young People’s Library and (with others) put back together the United Students Association of Hunan. Visiting Music Mountain for a few weeks, he brought the torch of New Culture to his home county by establishing an Education Promotion Society. He wrote and edited at *Popular Daily*, a semi-official educational organ, after a friend of his, He Shuheng, gained control of it and pulled it to the left. Helped by a girl he was fond of – another one of Professor Yang’s best students – Mao set up a Cultural Bookstore to seed Hunan with left-wing literature. “The people of Hunan are more starved in the mind than in the stomach,” ran Mao’s announcement about the shop. **Mao wangled three rooms at low rent for the Cultural Bookstore from Yale-in-China**...The bookstore did well and grew seven branches in other towns. In its early days the best-selling items (all in Chinese) included Kirkup’s *History of Socialism*, a pamphlet that introduced Marx’s *Capital*, *A Study of the New Russia*, and the magazines *New Youth*, *New Life*, *New Education*, and *Labor Circles*.”

– *Mao: A Biography* by Ross Terrill, p. 51-52



Mao Tse-tung (third from left) appears with his fellow classmates in Changsha, China. Changsha (長沙) is the capital of Hunan province. The Yale-in-China program was located in Changsha, China.
(Source: *The People's Emperor: Mao, A Biography of Mao Tse-tung* by Dick Wilson)



Mao Tse-tung (毛澤東, 1893-1976) reviews his army in Peking in October 1949. (Source: *Mao Tse-tung* by Robert Payne)

“Political power grows out of the barrel of a gun.” – Mao Tse-tung

[Chinese translation: 槍杆子裏面出政 (Qiang-gan-zi li-mian chu zheng-quan)]

Sino-Japanese War (1894-1895): Organized Crime?

From the Grassy Knoll in Shanghai, China: Lone Gunman or Patsy?

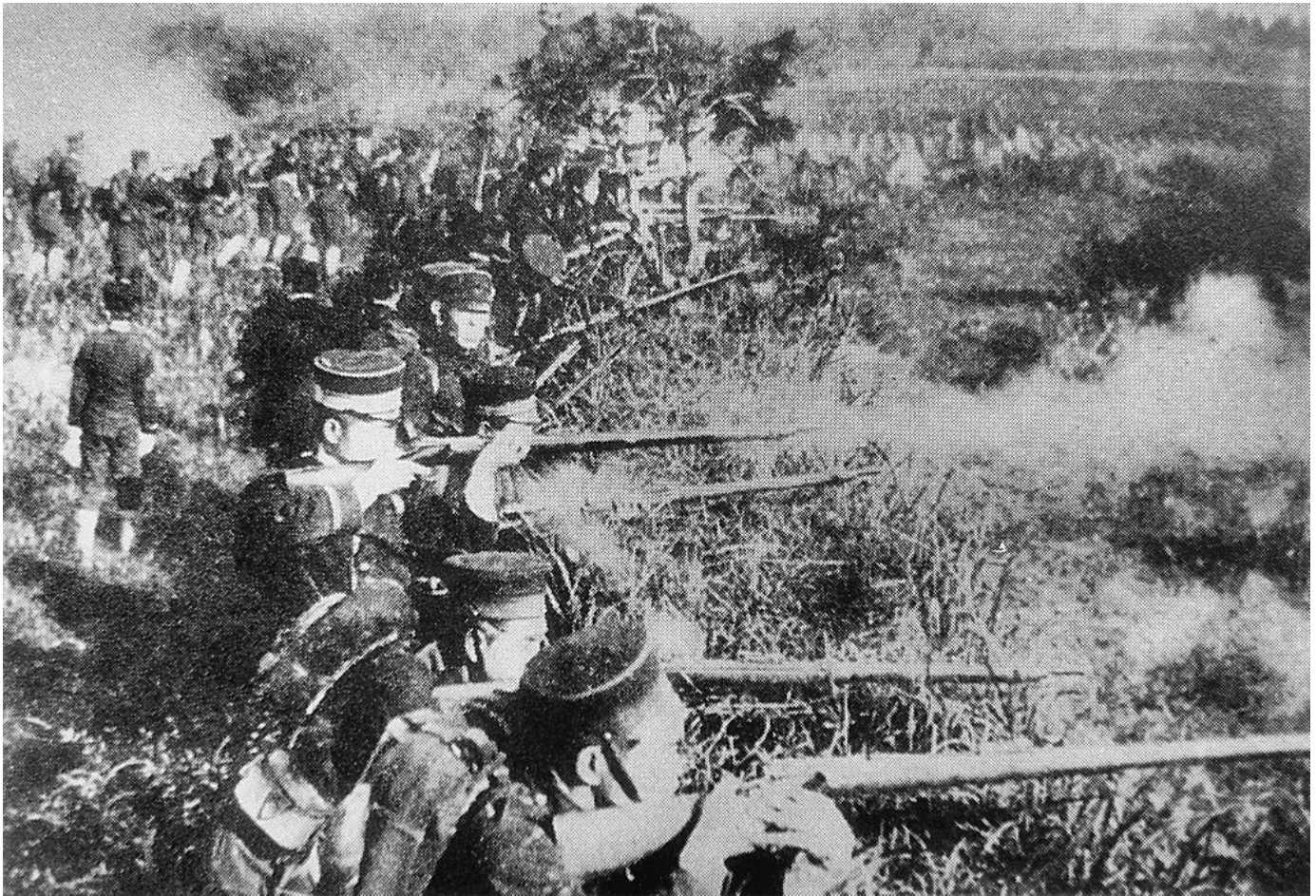
The Assassination of Korean community organizer Kim Ok-kyun on March 28, 1894



A portrait of Korean community organizer **Kim Ok-kyun (left)** while he was living in Nagasaki, Japan as a refugee. Kim Ok-kyun participated in a failed coup d'état, formally known as the Gapsin Coup, in December 1884. Kim Ok-kyun fled Korea and lived in Japan as a refugee from 1884 until 1894. Korean patriot **Hong Chong-u (right)** shot and killed Kim Ok-kyun in Shanghai, China on March 28, 1894. British police officers in Shanghai arrested Korean patriot **Hong Chong-u** shortly after the assassination and transferred **Hong Chong-u** to Chinese authorities for trial. However, the Chinese government decided to release Korean patriot **Hong Chong-u** from prison. **Hong Chong-u** and the corpse of **Kim Ok-kyun** arrived in Korea on April 12, 1894.



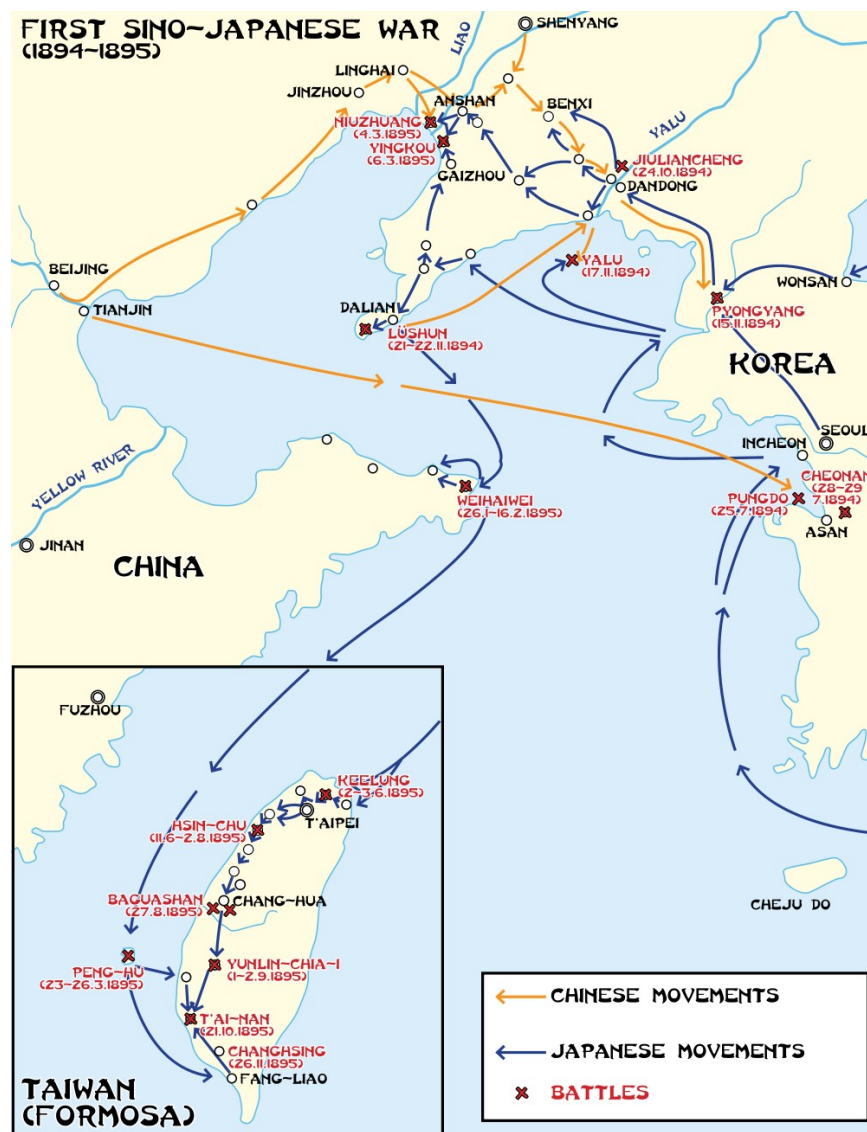
Japanese woodblock painting depicting the Naval Battle of the Yellow Sea (Yalu River) in Korea in the First Sino-Japanese War in 1894. Sun Yat-sen attempted to start an uprising in Canton in 1895 following China's defeat in the First Sino-Japanese War; however, his uprising failed after Manchurian officials confiscated guns that Sun Yat-sen's followers tried to smuggle from Hong Kong. The Manchurian regime in Peking issued a warrant for Sun Yat-sen, and Sun Yat-sen lived in exile until 1911, when the Manchurian regime was overthrown.



Japanese soldiers fire their guns during the First Sino-Japanese War in 1894.
(Source: "Bakumatsu Meiji no Shashin" by Ozawa Kenshin, p.340)

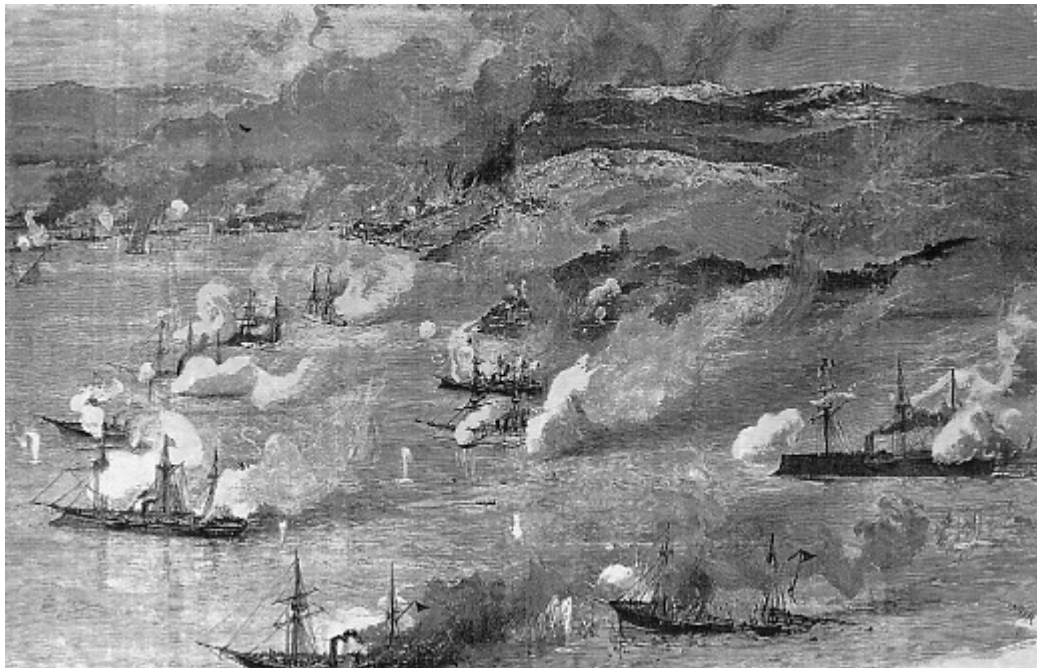


Japanese diplomats and Chinese diplomats sign the Treaty of Shimonoseki at Shimonoseki, Japan on April 17, 1895, ending the First Sino-Japanese War. Japan acquired the island of Taiwan from China and required China to recognize the independence of Korea. Japan also obtained additional diplomatic and economic privileges, including the opening of several Chinese ports to Japanese trade. The First Sino-Japanese War lasted from August 1, 1894 until April 17, 1895.





A map of China during the short Sino-French War (1884-1885)



The Battle of Foochow on August 23, 1884

Boxer Rebellion: Organized Crime?

From the Grassy Knoll in Peking, China: Lone Gunman or Patsy?

The Assassination of Clemens von Ketteler, German Ambassador to Imperial China,
by Chinese soldier Enhai (June 20, 1900)



Peking, China circa 1900, during the Boxer Rebellion

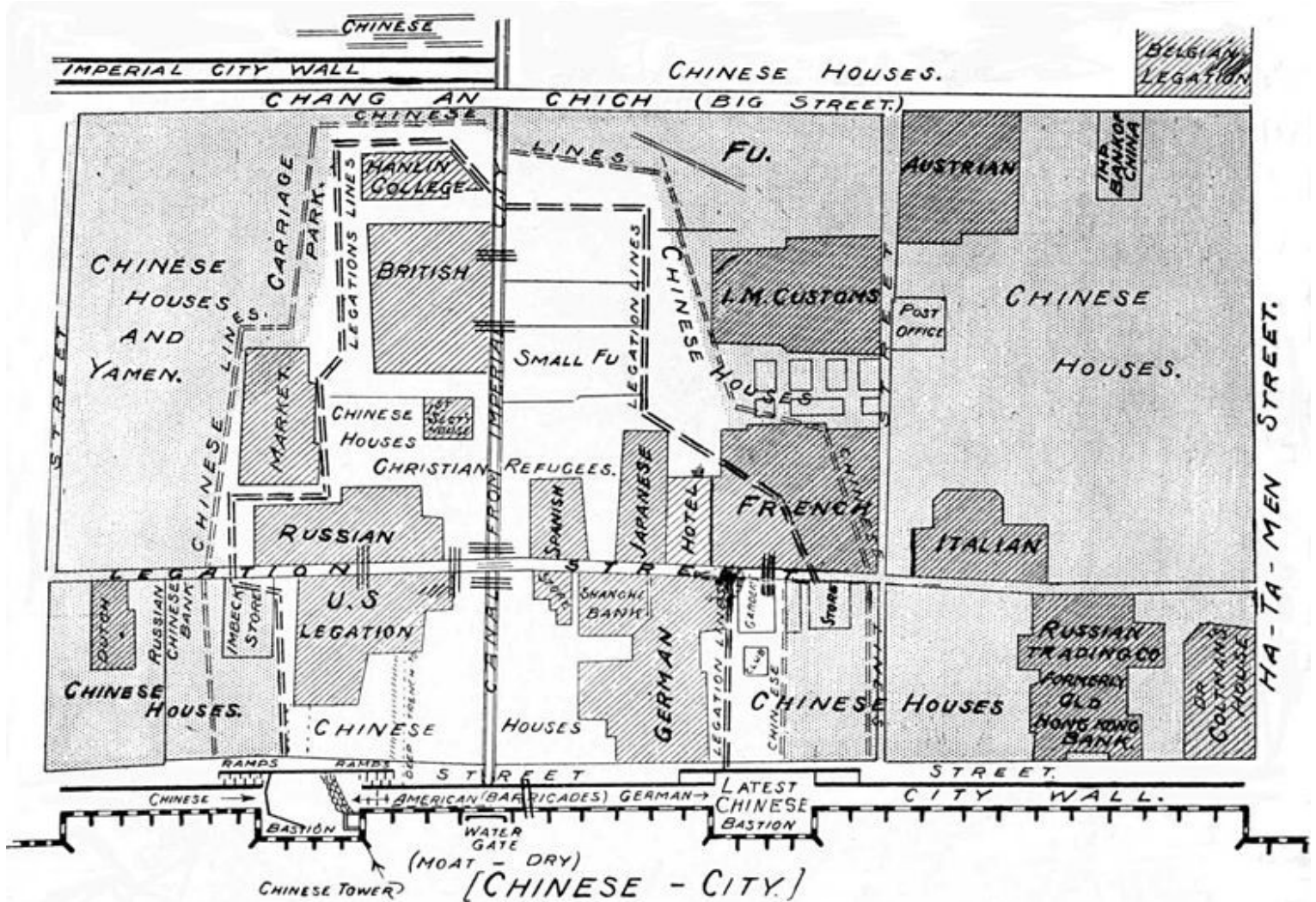


The Eight-Nation Alliance, a group of armies from United States of America, Great Britain, Japan, Russia, Germany, France, Italy, and Austria-Hungary, make their presence in the Forbidden City in Peking (北京) during the Boxer Rebellion (also known as the Boxer Uprising, 義和團運動) in 1900. The Society of Righteous and Harmonious Fists (義和團), better known as the Boxers, was a secret society founded in Shandong, China; the Boxers protested against opium trade, foreign intervention, unequal treaties, and involuntary servitude at the hands of foreign merchants, diplomats, and Christian missionaries. The governments of the Eight-Nation Alliance sent their armies into Peking to suppress the Boxer Rebellion and liberate foreign diplomats and civilians who were held hostage at Legation Quarter in Peking after the Boxers and Chinese soldiers killed Christian missionaries and Chinese Christian converts and attacked the Legation Quarter in Peking in early 1900. (National Archives)



Left photo: German army officer Field Marshal Count Alfred von Waldersee reviews the armies of the Eight-Nation Alliance in China during the Boxer Rebellion.

Right photo: Clemens August Freiherr von Ketteler (November 22, 1853 – June 20, 1900), the German Ambassador to Imperial China, was assassinated by a “lone gunman” in Peking, China on the morning of June 20, 1900. Ambassador von Ketteler assassinated a young Chinese boy, who was held hostage inside the German Legation in Peking, with a pistol on June 16, 1900.



THE LEGATIONS AT PEKING, 1900.
From a sketch by Capt. John T. Myers, U.S. Marine Corps.
(By permission of the Board of Control, U.S. Naval Institute.)

[To face p. 550.]

A map of the Legation Quarter at Peking in 1900 during the Boxer Rebellion



A German soldier and a group of Chinese residents stand in front of corpses of executed Boxer leaders at Hsi-Kou, China in circa 1900-1901 during the Boxer Rebellion.

“The main body of Tung Fu-hsiang's savage Kansu braves – that is, his whole army-re-entered the capital, and rapidly encamped on the open places in front of the Temples of Heaven and Agriculture This settled it, I am glad to say. At last all the Legations shivered.” Had they known that Tzu Hsi [Empress Dowager] and Kuang Hsu were being escorted by General Tung everywhere they went because they were Prince Tuan's hostages, they might have shivered again. More alarmed than ever, Sir Claude sent a third telegram at eight-thirty that evening, making a blunt appeal for help to Admiral Seymour: "The situation in Peking is hourly becoming more serious ... troops should be landed and all arrangements made for an advance on Peking at once." Similar telegrams were sent by the other envoys. Off Taku at eleven o'clock that night, June 9, Admiral Seymour received Sir Claude's last telegram and was galvanized into immediate action. He informed his counterparts in the other fleets that he was leading a force to Peking at once and invited them to join him. The following morning Sir Robert Hart was sufficiently worried to telegraph Viceroy Li Hung-chang far to the south in Canton, explaining the state of affairs and asking Li, as the "oldest and most trusted" adviser to the dowager, to wire her that the Boxer flirtation was a dangerous policy to pursue. But that very day Prince Tuan was unexpectedly put in overall charge of foreign policy at the Tsungli Yamen, which he was to administer jointly with "the invertebrate" Prince Ching. This bore out Sir Claude's impression that Prince Ching was no longer in control even of his own department. Before the day ended, a telegram reached the legations saying Seymour was on his way. Then the telegraph lines were cut, isolating Peking from the outside world. All official foreign descriptions of events after this date were composed after the fact and laid blame squarely on the Chinese, ignoring any and all provocative acts by the foreigners. So anxious were diplomats and generals to convey that they had behaved honorably during the crisis that they tailored their accounts to enhance their roles at the expense of the facts. Luckily some uncensored and unedited diaries and personal accounts survive, providing something closer to the truth. While the legations awaited Seymour's relief force with mounting anxiety, the number of Boxers in the capital increased dramatically, to perhaps as many as thirty thousand. Among them inevitably were many vagrants and criminals who took this opportunity to put themselves under princely patronage and line up for a free lunch. The Boxers were intended to be the outer ring against Seymour and whoever followed, General Tung's twelve thousand Kansu braves would be the middle ring, and the Peking Field Force and the Tiger Hunt Marksmen the inner rings. In practice, this strategy proved to be yet another Ironhat fantasy. The three imperial forces clustered in and around Peking were political armies, whose chief purpose was to provide leverage for their commanders. As such, Prince Tuan and General Tung were not going to squander their men or equipment in set-piece combat. Jung Lu naturally held his big army back in defiance of the Ironhats. The Boxers remained to the bitter end armed only with knives, swords, cudgels, a few antique muskets-and amulets to make them bulletproof. Tensions were running high. Expecting Seymour's relief force at any moment, Japanese embassy chancellor Sugiyama Akira donned a tailcoat and a top hat on June 9 and set forth with his valet in a Peking wagon to meet the Allied force at the railway station in the Chinese City. He would have been wiser to stay at home, for the Allied relief force was far away having troubles of its own. Outside the Yungtingmen Gate, where Sugiyama entered the Chinese City, he was set upon by General Tung's soldiers, dragged from his cart, and hacked to pieces. Why Sugiyama was singled out for assassination in this manner has never come to light, although he may have been involved in spiriting the fugitive Liang Chi-chao out of China two years earlier, earning the enmity of the Ironhats. Morrison reported that Sugiyama's heart "was cut out and, there is every reason to believe, was sent as a trophy to the savage General Tung Fu-hsiang himself." Morrison added gratuitously that this was the same General Tung who had escorted the empress dowager and the emperor back from the Summer Palace, and therefore the murder had been committed by "the favorite bodyguard of the empress dowager." Morrison omitted any mention of the edict promptly issued by Tzu Hsi after Sugiyama's murder: "This news has caused us deep and sincere regret The murderers . . . shall be dealt with, when captured, with the utmost severity." Walking down Legation Street the day after Sugiyama's murder, forty-seven-year-old Baron Clemens Freiherr von Ketteler, the current German minister – “a man of strong views and impetuous courage” – came upon a covered Peking cart drawn by a mule. Riding in front was a man dressed like a Boxer, red bands tied around his head and wrists, as many ordinary Chinese in Peking were now attired to be fashionable. He was sharpening his knife "insolently" on his boot. This was too much for Baron von Ketteler, who fell upon the man with his lead-weighted walking stick. The man fled, but upon looking inside the covered wagon the baron discovered a young boy of ten or eleven dressed in a similar costume. He hauled the boy out and beat him severely with the weighted cane, after which he dragged the dazed child to the German legation and kept him prisoner. Official demands for his release were ignored. This father and son were the first and only "presumed" Boxers yet seen anywhere near the legations, but the baron's attack on them was to be a major factor in bringing on the siege.”

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 318-320

“Infuriated by Baron von Ketteler's unprovoked assault on the man and his beating and abduction of the boy, thousands of Chinese, including Boxers and General Tang's Kansu braves, went on a rampage for the next three days, June 13-16. Parts of Peking's Tartar City and a large portion of the Chinese City adjacent to the legation quarter were the scene of rioting, looting, and burning. Boxers poured into the Tartar City through the Hatamen Gate on the first day of rioting, pillaging the shops of Chinese merchants who traded with the foreigners. All this happened at some distance from the legations, not threatening them directly, but the abandoned Customs buildings and Sir Robert Hart's recently vacated home and garden were burned, destroying most of Hart's papers and books. The Roman Catholic East Cathedral and South Cathedral were put to the torch. The South Cathedral, built by Jesuits during the reign of Emperor Kang Hsi and decorated with many works of art, was reduced to a smoldering ruin. Also burned was the Anglican bishop's property, the London Missionary Society, and the Institute for the Blind. The stoutly defended North Cathedral, where Bishop Favier and many of his flock were holed up with their small detachment of marines, came under siege. Many Western nuns and priests had been brought to the legations the previous day, but around the East and South cathedrals were large communities of Chinese Catholics, who had been abandoned to their own resources. One Westerner recalled: “We could hear the yells and screams of the fiends that were destroying and murdering, and those of their victims too: we learned afterwards that many native Christians had fled to [the South Cathedral] for safety and had been slaughtered or burnt to death within its walls.” Most looting and burning were confined to prosperous districts full of the shops, stores, and homes of wealthy Chinese, including dealers in jewelry and gemstones, silks and furs, embroidery, curios, and precious metals. Old accounts were being squared. In other parts of Peking, including most of the Tartar City, there was no rioting at all; markets and shops stayed open, and neighborhood life continued normally. General Tung's troops and the Boxers evidently were given designated areas to attack. At the legations, Chinese servants, gardeners, chair-bearers, and interpreters began slipping away. For the foreigners this was not so much a sign of trouble as a great nuisance, for now the burdens of domestic routine, cooking, cleaning, washing, and ironing had to be shouldered by some of the ladies of the legations. All missionaries within reach of Peking had already sought asylum with the diplomats. Others were fleeing overland toward Siberia or the Treaty Ports. Non-Christian Chinese who lived near the legations fled in terror.”

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 320

“Lenox-Simpson said, “Never have I seen such fast galloping and driving in the Peking streets; never would I have believed that small-foot women...could get so nimbly over the ground. Everybody was panic-stricken and distraught. . . . They went on running, running, running. . . . Far away the din of the Boxers could still be heard, and flames shooting up to the skies now marked their track; but of the dread men themselves we had not seen a single one.” Not a single Boxer, that is, with the exception of the father and son who had been attacked by Baron von Ketteler. The baron was intimate only with the Austro-Hungarian minister, Arthur von Rosthorn, so there was similarity in their conduct during these last days before the siege. On June 13 a guard of five Austrians was sent to the Belgian legation, where their machine gun commanded the Customs compound street. During the night some Chinese bearing torches were seen approaching down the thoroughfare—apparently intent upon picking through the ruins of the Customs buildings for anything of value—and were assumed to be Boxers bent on setting more fires. When they were within range, the Austrian machine gun opened fire. “It was a grateful sound,” said Morrison with approval. “The torches disappeared But there was not one dead.” Next morning it was found that the Austrians had shot down telegraph lines above the street. On the afternoon of June 14, Baron von Ketteler was again out hunting, strolling along the top of the Tartar Wall. He observed a group of Boxers about two hundred yards distant, performing their customary exercises in a square of the Chinese City. Von Ketteler hurried down, collected a squad of German marines, and led them to a vantage point atop the wall, where he pointed to the Boxers. Creeping along the wall to get within range without being seen, the Germans fired into the Boxer formation, killing at least seven and wounding twenty. With some satisfaction, Morrison commented, “Ketteler and his merry men have just shot 7 Boxers from the top of the wall. ... The stalking was excellently done.” He did not relate this incident or his opinion to readers of the *Times*. Reacting to this new provocation, Chinese and Boxers poured like angry fire ants through the Hatamen Gate into the Tartar City. Marines hastily cordoned off all the legations except the outlying Belgian compound, posting sentinels. When more Boxers tried to enter the Tartar City through the Chienmen Gate, they were stopped by Chinese troops and the gates were closed. A silent struggle had begun in which General Jung Lu, as supreme commander of the military district, tried with notable success to keep the lid on the pot, while Prince Tuan and his fellow conspirators tried to make it boil over. Hart wrote: “What a bit of luck for us that the Boxers have only swords, etc. Had they guns, they'd wipe us out in a night, they are so numerous.” On June 15 the dowager and Emperor Kuang Hsu issued explicit orders against the rioters. “All criminals who are found carrying arms and shouting ‘Sha’ [kill] are to be immediately arrested, handed over to the gendarmerie, and executed upon the spot No leniency shall be allowed in the future The [Boxer] altars erected in the Inner and Outer Cities should all be torn down.” They instructed Jung Lu, Prince Ching, Prince Tuan, and Duke Lan to see that these orders were carried out. Once again Tzu Hsi had been persuaded by real events that the Ironhat scheme was sheer folly.”

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 321-322

“That same day Morrison led a mounted party of Russians and Americans to the South Cathedral, a mile and a half away, to rescue any surviving Chinese Christians. Student interpreter Giles, who accompanied them, said, “Many were found roasted alive, and so massacred and cut up as to be unrecognisable.” The following day Morrison organized another posse to look for other Chinese Christian refugees. They came upon a temple where Boxers were burning incense, chanting, and executing prisoners. After a ten-minute gun battle, forty-six Boxers lay dead and their prisoners were freed. Morrison claimed he killed six Boxers himself. **More than two thousand Chinese Christian refugees were now camped beside the sewer in tree-lined Canal Street, which ran in front of the British, Russian, and American legations separating them from Prince Su's walled gardens. This proved to be an embarrassment, for not one of the legations wanted them; there was no room except in the street, where they got in the way.** Charity was in short supply. Morrison's rescue of the hated converts, possibly motivated by genuine concern rather than sport, was to backfire tragically. Lenox-Simpson wrote: “Several of the chefs de mission were again much alarmed at this action of ours in openly rescuing Chinese simply because they were doubtful co-religionists. They say that this action will make us pay dearly with our own lives; that the Legations will be attacked.” **No direct assault on the foreign community had yet taken place. In Peking only Chinese had been attacked by Boxers. No Boxer or imperial soldier had yet fired a single shot into the legations.** Nobody in the legations had been killed or wounded. All the shooting was going in the opposite direction: foreigners were shooting Chinese. Edwin Conger estimated that by June 15 nearly one hundred presumed Boxers had been shot *without provocation* by marines of various legations. This figure included the Boxers “stalked” by von Ketteler's German guards, but did not include those many Chinese shot by Morrison's marauders, shot individually by student interpreters earlier, and by other flying squads of Western roughriders, numbering in the hundreds. Polly Condit Smith said that one group of fewer than twenty marines said they had killed 350 “thieves, Boxers and Imperial soldiers” by this date. All accounts of the siege have sought to play this down or failed to mention it at all. By contrast, prior to May 31, when the legation guards arrived from Tientsin, only one foreigner had been killed by the Boxers: the missionary Brooks, who was judged by his peers to have acted foolishly. After the legation guards were summoned, Chancellor Sugiyama had been assassinated by General Tung's soldiers, four French and Belgian railway engineers had been killed in a gun battle while fleeing toward Tientsin, and two British missionaries were slain near Yungtsing. This brought the total of foreign dead so far only to eight. All the rest of the Boxer incidents in Peking and surrounding areas had been directed exclusively against Chinese. (Most Boxer violence in 1900 was concentrated in the small triangle Peking-Tientsin-Paotingfu, although Western accounts make it appear to have swept across all of North China.) The court still remained sharply divided over policy, thanks to the recklessness of the Boxers themselves. On June 13, the day the Peking riots began, Boxers broke into the mansion of the elderly Grand Secretary Hsu Tung, one of the leading Boxer supporters most hostile to foreigners, and pillaged it. Boxers also assaulted and robbed Grand Secretary Sun Chianai; the chancellor of the Hanlin Academy; a vice-president of the Censorate; and a vice-president of the Board of Appointments. The newly appointed governor of Kweichow was dragged from his sedan chair, forced to kneel in the dirt, and then stripped naked and robbed of his silk garments. Once more this tipped the scales against Prince Tuan. On June 17 Jung Lu was ordered by the dowager and Kuang Hsu to move in troops: “Give energetic protection to the various Legations. Let there be no remissness.” However, when Jung Lu asked the legations if they wanted this protection, the diplomatic corps declined, assuming that Jung Lu, being closest to the dowager, planned a massacre. In one of Morrison's telegrams published by the *Times* he stated that attacks on the legations “were ordered by the Empress Dowager and organized by Jung Lu.” In the end the fact that almost all Western civilians survived the two-month-long siege unscathed had more to do with Jung Lu's intercession and control of the armed forces than it had to do with the valiant sorties, pickets, and battles waged by the besieged. The potshotting of the legation guards, the galloping gun battles of Morrison's cavalry, his rescue of the converts, and in particular the provocations of Baron von Ketteler were about to pull the rug out from under the moderates. **On the sixteenth Chung Li, the mayor of Peking and one of Prince Tuan's inner circle, came to the German legation personally to ask Baron von Ketteler for the release of the young boy being held hostage. This von Ketteler was unable to do, because the boy was dead. Apparently during a fit of fury von Ketteler had shot him; this had been covered up by the German legation but was known to the British government, and to Morrison, who discussed it privately with Sir Henry Blake, the governor of Hong Kong, and Lady Blake, but never reported it to the *Times*.** Two days later the Tsungli Yamen appealed to the legations to permit no more armed raids by their toughriders because “it irritated the people.” **The Boxers still did not attack the legations.** While Tzu Hsi seemed to be in awe of Prince Tuan and to have given in to him increasingly, she was being pressed hard by the moderates as well and leaned first one way then the other. Decades of coalition rule had established precedents that made it difficult for her to act unilaterally, as demonstrated by the undermining of Emperor Kuang Hsu two years earlier. As both Tseng Kuo-fan and Henry Cockburn had discerned, Tzu Hsi was not a strong leader but a figurehead easily influenced. She had maintained her status at court by keeping her own counsel until one group clearly dominated an issue. On the Boxers she reversed course from day to day, waiting to see whose hand was strongest on the tiller. Secrecy obscured this wavering, so the actions of the throne seemed to the legations to be more single-minded than they actually were.”

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 322-324

“Thanks to so many Western provocations, during the second week of June there was a resurgence of Ironhat control of the court after the return of Kang I and Chao Shu-chiao from their investigations of the Boxers in Paoting and Chochou. The two mandarins had been sent to tell the Boxers southwest of Peking to behave themselves and to disperse, or Jung Lu's troops would kill them. They returned to Peking on June 16 to report that the Boxers were not really planning a rebellion against the government or the dynasty, to whom they pledged their loyalty, and that outrages such as the burning of churches and killing of converts and missionaries were the work of criminal secret society members, not of the Boxers themselves – a subterfuge the Ironhats had maintained all along. Kang I said that when he arrived at Chochou the Boxers all fell to their knees before him with hands clasped in greeting. He blamed all recent excesses and criminal acts by the Boxers on members of the anti-Manchu White Lotus sect, who were said to have taken advantage of the Boxers to infiltrate Peking and launch antigovernment conspiracies. He and other Ironhats assured the dowager and the court that under the circumstances there was no need to repress the Boxers after all, for they were not at fault. To settle the debate, the throne convened that day the first of a series of extraordinary meetings of all princes, heads of the six government boards and nine bureaus, members of the imperial household – in all, more than a hundred mandarins, princes, and generals. The first meeting was occupied with accounts of the bad behavior of the Boxers, including their attacks on senior officials; debates on how to handle Admiral Seymour's expeditionary force, which was known to have left Tientsin and was expected to appear before the city gates at any moment; and the danger posed by the many foreign warships dropping anchor off the Taku Bar. This first conference concluded with a series of edicts announcing that Jung Lu's imperial troops would bring the Boxers under control in Peking, not only to prevent further looting and manhandling of mandarins but to make it completely unnecessary for Admiral Seymour's force to come to Peking to rescue the legations after all. **The dowager again ordered Jung Lu and his army to take responsibility for protecting the legations, whether they wanted protection or not.** An edict issued the following day demonstrated the concern of the court: “If amongst the families or staffs in the Legations there are any desiring to proceed temporarily to Tientsin, they should properly receive ... protection on the way. But at the ... moment railway communication is interrupted, and if they were to hurriedly proceed by road it would be difficult to insure their safety. They should, therefore, remain quietly where they are until the railway is repaired when the circumstances can be further examined and steps taken as required.” On June 17 a second urgent conference was summoned and Prince Tuan counterattacked, producing an ultimatum supposedly received from the Allies. According to the only eyewitness source we have from this meeting, on the basis of this fake ultimatum the empress dowager told the assembly that the Foreign Powers had made four demands: first, in view of persistent rumors that Emperor Kuang Hsu was still being kept prisoner, a specific palace must be designated as the emperor's residence; second, to eliminate the destructive effects of official corruption, foreigners must be given the right to collect not only foreign customs revenues but all taxes in China on behalf of the government; third, to end corruption in the Chinese armed forces, foreigners must be given authority over all military affairs in the empire; and, finally, Emperor Kuang Hsu must be restored to full power. There is no evidence of any foreign government's putting such demands forward at this time, so the document had to be a counterfeit. One obvious possibility is that it was an Ironhat forgery designed to upset the moderates and to provoke the empress dowager into approving drastic action. However, it is more likely in retrospect that the counterfeit ultimatum originated with Viceroy Li in Canton, who was trying to provoke an Allied attack. Ironically, at that very instant, the admirals anchored off Taku did issue an ultimatum – one that would force China into war-but it was nothing like the one Prince Tuan presented to the empress dowager.”

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 324-325

“Peking was cut off, Seymour had vanished, the French Settlement was in ashes, and at any moment the Chinese might cut the railway connecting Tientsin to the mouth of the Peiho River at Taku where the warships stood twelve miles off, out of artillery range of the forts. Supplies and reinforcements for the forts could be seen arriving, torpedo tubes were being mounted by the Chinese, and it was presumed that mines were being laid in the river channel. Soon the Allied squadrons would be rendered impotent. (In none of this reasoning was the fate of the legations a factor.) Bickering finally stepped, and a majority of the commanders voted to act while they still had the advantage. They would occupy the Taku Forts, by force if necessary. **An ultimatum was delivered to the office of the viceroy in Tientsin, setting a deadline of two o’clock on the morning of June 17. This was a particularly delicate moment and one of those that has been lied about ever since, for no state of war existed between the Allies and China; technically the enemy was Boxer insurgents, not the Chinese government itself. Therefore an attack on the forts by the Allies was nothing less than a unilateral act of war against China.** But if the forts were not seized, the commanders argued, the relief of the legations at some future point would become all the more difficult. This was not the only option open to the admirals and generals, for they could have landed three miles to the north in the mouth of the Peitang as they had in 1860, and marched straight to Peking to relieve the legations, making the ultimatum (and the act of war) unnecessary. Human nature being perverse, the plan chosen was the only one on which they could get a simple majority. Thus they showed themselves to be less concerned about rescuing the legations than about seizing and holding territory, a concept they all dimly understood. **So at a time when only eight foreigners had been killed compared to well over two hundred Chinese, the Allies took matters into their own hands and opted for war.** Their ultimatum demanded only the surrender of the Taku Forts, but that meant war. There were four forts at the mouth of the Peiho--two on each lip--which had been attacked by the Allies twice during the Opium Wars, the first assault by sea ending in failure waist deep in the mud, the second ending in victory after an approach overland to attack them from behind. Since then the forts had been rebuilt and modernized by Viceroy Li Hung-chang's German engineers and equipped with rapid-fire Krupp guns. So the decision this time to attack head-on again by sea relied more on luck (shall we say) than on cunning. The assault would proceed across the same mudflats set with sharp stakes that had resulted in an embarrassing Allied bloodbath in 1859. At sunset on the night the ultimatum expired, shallow-draft gunboats bearing nine hundred men took up positions beneath the walls of the forts.”

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 330

“British, German, Russian, French, and Japanese soldiers took part, the Americans abstaining on orders not to become involved militarily in the absence of a declaration of war (a point about to be rendered moot). If the Chinese commander did not surrender by 2:00 A.M. on June 17, there was no question what the Allies intended. Consequently at 12:45 A.M., barely an hour before the deadline, the Chinese opened defensive fire at the approaching force. For six hours the battle raged. The outcome was decided when Allied rounds fell fortuitously into huge powder magazines in the forts on both the north and south sides of the river mouth. The explosions were so colossal that the defenders were stunned. Under cover of the dust cloud, marines stormed the north forts with fixed bayonets. After the second explosion, the forts on the south bank surrendered without a fight. The Chinese commander committed suicide. Upstream, all four German-built destroyers of the Chinese navy were captured intact. When the Taku Forts were attacked, a de facto state of war came into effect, so Chinese artillery also opened fire on the foreign settlements outside Tientsin; the next day ten thousand imperial troops besieged the settlements. Given the state of war, Washington advised Rear Admiral Kempff that his American troops could now join the engagement, and an international force totaling fourteen thousand men set out from Taku to relieve Tientsin. This Allied relief column entered Tientsin's foreign settlements on the morning of June 23. Finding it all but impossible to work together, they took another fortnight to capture the old walled Chinese city nearby. While the others watched, the Japanese seized the initiative and set off a huge explosion that destroyed the city's South Gate, whereupon Chinese resistance ceased. Meanwhile, Admiral Seymour's ragged force, struggling down the shallow Peiho River, had its only success when it reached a point barely three miles from Tientsin and came unexpectedly upon the arsenal at Hsiku, where they were lightly fired upon.

Counterattacking, they were surprised to have all resistance melt away and found themselves in possession of a forty-acre arsenal full of machine guns, field guns, rifles, and millions of rounds of ammunition. The few Chinese still in the arsenal fled without another shot. Although they were now less than an hour's walk from Tientsin, Seymour's force was exhausted and remained in the arsenal for five days, missing the battle for Tientsin and completing the final leg of their grand tour only on June 26, as Tientsin was being joyously looted by its Allied conquerors. The last word on the Seymour expedition was had by 29-year-old Commander David Beatty, later admiral of the fleet at the Battle of Jutland in World War I, who called it "the maddest, wildest, damndest, rottenest scheme that could emanate from the brain of any man." Not necessarily. Worse was yet to come.”

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 331

“On June 17 the first actual exchange of fire occurred, at the instigation again of Baron von Ketteler... Unaware that Admiral Seymour had given up and started back toward Tientsin but anxious to avoid any more shooting incidents, the Tsungli Yamen tried next to persuade the legations to leave voluntarily. Twelve large scarlet envelopes were brought to the eleven ministers and Sir Robert Hart on June 19. “The Yamen ... requests that within twenty-four hours Your Excellency will start, accompanied by the Legation's guards and proceed to Tientsin in order to prevent any unforeseen calamity.” At the same time the Yamen informed the legations of the Taku ultimatum. Sir Claude was aghast. He wrote bitterly in a note that was to be smuggled to Consul Carles in Tientsin that the Allied commanders had “sounded the death knell of the foreigners in Peking.” To the Foreign Office he later described the ultimatum as “premature and needlessly provocative.” To the Yamen itself he said that the legation ministers were astonished and knew “absolutely nothing of what had happened with regard to the Taku forts.” All the ministers except the belligerent von Ketteler were now anxious to leave Peking. They debated at length, then sent a message to the Yamen at midnight, asking for a meeting at 9:00 A.M. to work out particulars for their departure. Nobody was looking forward to the journey. One envoy observed sourly that “to stay meant probable massacre, to go meant certain destruction.” Speaking of the younger staff, student interpreter Giles said, “We were all dead against [leaving Peking], having regard to the historical precedent of Cawnpore,” where the British garrison was massacred during the Sepoy Mutiny. Edwin Conger ordered a hundred carts assembled to move families and their goods to Tientsin. Morrison, who relished a good scrap, said this was to Conger's “everlasting dishonour.” The Yamen responded that “the Princes and Ministers . . . would be very glad to discuss the situation thoroughly, but in view of the excitement that has prevailed during the last few days, it is to be feared that the Representatives might have cause for alarm [security couldn't be guaranteed] on their way to the Yamen” Sir Claude maintained in his official report that this message with its veiled warning was not received by 8:00 A.M. when von Ketteler became impatient and decided to make the trip to the Yamen on his own against the advice of his colleagues. Sir Claude recalled that the baron, “a very passionate and excitable man, banged his fist on the table and said ‘I will go and sit there till they do come, if I have to sit there all night.’” For von Ketteler it was going to be an unusually long night. **The baron set out about 8:30 A.M. with his legation interpreter, Hemrich Cordes, in two sedan chairs, accompanied by one unarmed Chinese footman ahead and one behind; his sedan chair was hooded in scarlet and green to show his official status. Lenox-Simpson described how von Ketteler was “smoking [a cigar] and leaning his arms on the front bar of his sedan, for all the world as if he were going on a picnic.” The two sedan chairs had just passed a small police station on crowded Hatamen Street when Cordes glanced to the left and saw a uniformed Manchu Bannerman, a lance corporal in the Peking Field Force, raise a Sharp's rifle and draw a bead on the baron's head. Cordes shouted a warning at the moment the soldier fired, killing von Ketteler instantly.** The sedan chairs were dropped, Cordes jumped out and ran, and was shot through the legs. He was not pursued, and made his way painfully to the Methodist mission. There is no reason to doubt that the assassination was arranged by Prince Tuan's group in revenge for the aggressive way von Ketteler had been behaving; for his unprovoked beating and imprisonment of the young Boxer boy, ending in the boy's being shot dead; for von Ketteler's repeated use of German legation guards to shoot down unarmed Boxers in the Chinese City's open areas, before hostilities of any kind had commenced against the legations; and for the shooting of General Tung's troops three days earlier by German and Austrian marines. **This longstanding pattern of aggressive behavior by von Ketteler had greatly alarmed his diplomatic colleagues. Like many German officials at the time, von Ketteler sought to emulate Kaiser Wilhelm's horseradish arrogance and bombastic manner. The record of his predecessor Baron von Heyking in bringing about the recent German seizure of Tsingtao and Kiaochow Bay also set an aggressive standard that von Ketteler was anxious to emulate. He was quoted by journalists as saying that the best thing for China was to be cut up like bratwurst and swallowed by the Great Powers, with a large slice of North China going to Germany. Of course this irritated the British, Russians, and Japanese, who had in mind the same thing.** Sir Claude was so infuriated that at his urging the Foreign Office in London had made a representation to Berlin, and German foreign secretary Count Bernhard von Bulow sent von Ketteler a coded cable reprimanding him on a number of points and warning him of the consequences if the Chinese government learned of his quarrel with other members of the diplomatic corps in Peking. The baron was hated even by normally charitable missionaries, who pointed out that “his imperative manner was at that time particularly obnoxious to the Chinese.” **Small wonder that he drove the Ironhats to murder. Von Ketteler's killer, whose name was Enhai, became so celebrated after the assassination that he was later traced by the Japanese, arrested, and executed by the Germans.** He told them he had been promised a promotion and seventy taels of silver by his superior but received only forty taels. Just before his head was removed, he was heard cursing the stupid princes.” The message the ministers had received from the Yamen asking them specifically *not* to venture out on the streets was known to Morrison, but he twisted it around and reported in the *Times* “that the Dowager Empress and Prince Tuan...had planned a massacre on that fatal morning of all the foreign Ministers.””

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 333-335

"Not at all, for von Ketteler was a special case. The plan to have the baron murdered must have been agreed on in advance once the Ironhats learned that he had murdered his young Chinese hostage, for (amazingly) the assassination was already being discussed as an accomplished fact in Tientsin and Shanghai days before it actually took place. The murder, which occurred on the twentieth, was reported in London's evening papers on the sixteenth (four oops before it happened) and in the *Times* the next morning. As an American missionary in Peking remarked, "It is not often that a crime of this extraordinary character is telegraphed around the world four days in advance." With the telegraph lines cut before von Ketteler's murder, the lag in communications was so great that nobody outside Peking had confirmation of the killing for a full twelve days. Thus, in a particularly Oriental manner, it would take twelve days to learn about something that had happened, but you could know a week ahead about something that had not. A few hours after the shooting, the Yamen sent word to the legations that the time limit for their departure had been extended. But by then von Ketteler's murder had changed the envoys' minds; his fellow diplomats would not leave for Tientsin, no matter how big an escort was provided. As if the killing was a signal foreigners now poured into the legations from hiding places all over Peking. The total area within the legation quarter defense perimeter was eighty-five acres, two miles around. This was defended by twenty officers and 389 men, of eight nationalities. Also armed were diplomatic staff, student interpreters, and various civilians including a group of self-proclaimed "roughriders" who were regarded with contempt by Morrison. The quarter became jammed with some nine hundred foreign men, women, and children – 451 military men, 245 civilians, 149 women, and 79 children. The majority of them eventually were concentrated in the spacious British legation, where different buildings were assigned to each nationality. The British compound covered more than twelve acres and had many buildings, including stables for 150 horses—mostly racing ponies. There were also numerous pack mules, a flock of sheep, and a cow, which was made the exclusive responsibility of Pokotilov, head of the Russo-Chinese Bank. The British legation also had the biggest stock of preserved food, with great quantities of tinned bully beef, and commanded good fields of fire without being directly overlooked by the Tartar Wall. Normally it housed sixty to eighty people. By the afternoon of June 20 it was filled by many times that number. American missionaries and their Chinese converts, including 126 Chinese schoolgirls, were housed in the legation chapel. Sir Robert Hart and his Customs officers and families moved in with all their food and drink and articles of value. "The place was choked with women, missionaries, plying children, and whole hosts of lamb-faced converts," complained Lenox-Simpson tongue-in-cheek, "whose presence in such close proximity was intolerable." Many hundreds of converts milled around in the street outside the British legation and slept by the open sewer, uncertain where else to go. Now that the legations were going to stick it out in Peking, it was decided to do something to clear the great throng of Chinese Christians away, to remove them from the line of fire not so much for their sake but for the sake of the marine guards, and to prevent the enemy from using the converts as cover for a stealthy approach up the canal. Morrison had a bright idea. Across from the British legation were the palace and grounds of Prince Su, head of one of the eight great Manchu families. These grounds, known as the Fu, consisted of fourteen acres, richly planted with trees and flowering shrubs, filled with pavilions, palaces, and pagodas, thirty buildings in all, surrounded by a twenty-foot-high wall. Sir Claude regarded the Fu as "one of the principal parts of the defence...because its loss would render the British Legation almost untenable."

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 336-337

"Morrison reported to the *Times* that Prince Su's palace and gardens had been obtained because of "the influence" Huberty James had with Prince Su. He neglected to mention the threats and intimidation that constituted this influence. The prince left behind what Polly Smith described as "all his treasure and half of his harem." The palaces were immediately looted by Westerners. Antiques, artworks, priceless porcelain, and treasures from the prince's library were stolen, and all the silks and satins were ripped down from the walls and taken away to make sandbags. Su's palaces and pavilions were stripped bare of all except their architectural ornamentation. Much money was found hidden in various caches, of which only \$34,000 was acknowledged, and part of that was set aside for a memorial to commemorate the siege. There is no record of any of this money being returned to the prince or of any compensation being paid to him later for the looting or damage. The Chinese Christians were then moved onto the grounds, turning them into a refugee camp. This proved convenient, because many of the legation cooks and laundry boys had already fled. The refugees took their places as the domestics of the siege. The Japanese embassy was directly behind the Fu, so its military attache, Colonel Shiba, took responsibility for guarding the palace and gardens and protecting the refugees with twenty-four Japanese marines and thirty-two armed converts. Shiba knew China well, having been there as a student; he spoke Chinese and had served in the Sino-Japanese War with distinction. He had also been a military attache in London. Almost all the Japanese mission spoke Chinese; no other foreign military officers and few of the diplomatic corps spoke the language. Throughout the siege, organized Chinese military attacks were concentrated exclusively on the Fu, against the Chinese Christians there rather than against the foreigners nearby. Once emptied of valuables, there were no white people in the Fu. Morrison and the deputy military commander of the legations' defense, Captain Ben Strouts, and others went on periodic tours of inspection. Western men prowled the gardens at night hunting for unwary girls among the converts, and a number of rapes were hushed up by the diplomatic corps. At 4:00 P.M. on June 20, firing was heard from the outlying Austrian legation. Panicking, its occupants fled pell-mell to the nearby French legation. From the point of view of the people in the legations, this panic marked the beginning of the siege, although nobody was ever certain why the panic had occurred."

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 338

“Whether a siege ever existed except in their minds is another question. Morrison was furious at the Austrian retreat because his house was next door. He accused the Austrian commander, Captain von Thomann, a naval officer, of cowardice. Now that their legation had been abandoned, Morrison was forced to pack his prized library and bring it to the British legation, where Lady MacDonald made a place for him at the back of her residence. He stacked his books to the ceiling around a mattress on the floor, where he slept. Soon afterward his empty house was burned to the ground. On the evening of June 20, after the Austrian legation was abandoned, bystanders idling at the gate of the British legation saw Professor Huberty James come running out of the Fu with a Chinese soldier in hot pursuit. Before he could get across the bridge over the sewage canal, several Chinese sharpshooters appeared from the bushes beyond and shot James in a very deliberate manner, similar to the execution of von Ketteler. As British marines fired volleys in the sharpshooters' direction, James crawled slowly down the bank into the black sewage and died. His murder made everyone sensitive to the danger now thought to be facing all of them. There had been several isolated incidents of deliberate executions, of people who had earned the special enmity of the Ironhats for one reason or another, beginning with Sugiyama and von Ketteler. Their third target was Dr. James, who had been responsible for the eviction of Prince Su and the looting of his home. But now each person in the legations assumed that he would be next. Nothing whatever had been done to prepare proper barricades at the British legation, which everyone agreed would be the heart of the defense. Only a few sandbags had been tossed by its main gate. That night there was the usual elegant dinner party, presided over by Sir Claude in full evening dress. After dinner he strolled the compound thoughtfully, smoking an Egyptian cigarette. The next day, windows were sandbagged, leaving firing loopholes, and all the gates were fortified. Looking around the legation quarter's perimeters, Sir Robert Hart observed that for some inexplicable reason he could see only imperial army troops in the brilliant silks of each command. The Boxers with their red headbands had completely evaporated.”

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 339

“On the other hand, he had to make a convincing display to the Ironhats that his men were earnestly attacking the foreigners, when in fact they were shooting in the air and setting off large quantities of firecrackers. Regrettably the legations failed to understand anything of this. So while Jung Lu's army cordon actually made the legations more secure than they were before, rising anxiety inside the legations made everyone believe that Jung Lu was putting them at greater risk than before. This created a paradox: When the siege began in the minds of the legationers was when it really ended. What they called a siege was a protracted cease-fire. Not a great thinker or strategist, Jung Lu spent the weeks of the siege maintaining his buffer zone around the legations and waiting helplessly for Li Hung-chang to come back to Peking to save the dynasty. Eventually this is what happened, but not before Viceroy Li had exacted a heavy price from the court, and had the Ironhats in a cleft stick. In the legations, hysteria was taking over. Although there had been no serious attack, fear of attack made people in the outlying legations extremely nervous, convinced they would be cut off, brutally tortured, and only then hideously murdered. At 9:00 A.M. on June 22, for no apparent reason, there was another panic and guards at the legations of Germany, Italy, France, Japan, America, and Russia all fled into the British legation. No attack came, but some Chinese seized this opportunity to take over an abandoned barricade on Customs Street and to burn the Italian legation to the ground. In the fire the Italian envoy, the Marchese di Salvago Raggi, and his wife lost everything but their cashbox, which they had the presence of mind to take with them; they were soon elegantly dressed in borrowed finery. The Austrian naval officer, Captain von Thomann, who until then was the senior military officer in the legations, was blamed for this panic and also for the earlier abandonment of the Austrian legation. He was relieved of command, and by unanimous consent Sir Claude MacDonald was named supreme commander for the remainder of the siege. The guards who had panicked were sent back shamefacedly to their positions. The Italians, now homeless, moved into the French compound with the Austrians. While Chinese troops were occasionally besieging the converts holed up in the Fu, the rest of the legation quarter was subjected only to intermittent harassing gunfire, mostly aimed randomly over the rooftops by General Tung's Muslim soldiers. When they were fired upon by foreign marines at the barricades atop the Tartar Wall or on the outer perimeter, Tung's men fired back; soldiers on both sides were killed or wounded.”

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 341

“In only a few decades, Shanghai had grown from a ramshackle village of coastal pirates and pig farmers into a busy international city guarding the Yangtze estuary, commanding all trade for a thousand miles upriver into China's still-mysterious interior. Whitewashed colonial buildings now lined the Bund, the headquarters of major trading houses like Jardine Matheson, Russell & Company, and Dent & Compapy. Here canny merchants from Edinburgh or Boston bid against Persian and Sephardic Jews, and ruined their livers drinking the nights away with small-footed Chinese prostitutes in huge brothels run by the Green Gang. The detritus of their sins piled up in the streets and was washed by rains or swept by coolies into the river where (if you made the mistake of looking too closely), you could make out each morning the arms and legs of dead babies tangled with the corpses of dogs and giant bandicoot rats, floating away with the rotten fruit and inksmeared balance sheets on the high tide of empire. Among the steamships, clippers and decrepit junks crowding the waterfront were five dismasted cargo hulks with corrugated iron roofs, holding the opium reserves of the great trading houses. The Bund was now paved, and pansies bloomed in the shade of the broadleaved sycamores lining the riverbank, and beyond in the quiet street wiry rickshaw pullers trotted past Sikh traffic policemen in starched khaki shorts and turbans. Some things never change no matter how big a city grows, and from across the river in the unspeakable slum called Pootung came the everpresent nosewrinkling stink of fermenting pigshit, a constant reminder that Shanghai would always be a town of pig farmers at heart.”

– *Dragon Lady: The Life and Legend of the Last Empress of China* by Sterling Seagrave (1992), p. 246

圖心退擊兵敵の内城皇軍合聯

宣世其報畫亂戰國清



THE FALL OF THE PEKIN CASTLE THE HOSTILE ARMY BEING BEATEN AWAY FROM THE IMPERIAL CASTLE BY THE ALLIED ARMIES.

Imperial Japanese Army and the British Army attack the Chinese army during the Boxer Rebellion in 1900. (Photo: [Library of Congress](#))



United States Marines engage in combat during the Siege of Peking in China during the Boxer Rebellion.
(Photo: http://en.wikipedia.org/wiki/File:Siege_of_Peking_Boxer_Rebellion.jpg)



Imperial Japanese Army soldiers pose for the camera after executing four Chinese Boxer rebels in the Chinese countryside in 1900. (Source: American Museum of Natural History)



Chinese executioners prepare to behead a Chinese Boxer in front of a group of European soldiers. (Hulton-Deutsch Collection/Corbis)



Empress Dowager Tzu-hsi (Cixi), Regent of the Ching (Qing) Dynasty (reign, November 11, 1861–November 15, 1908)



The Empress Dowager rides a sedan accompanied by palace eunuchs.
(Photo: http://en.wikipedia.org/wiki/Empress_Dowager_Cixi)



The Qing Dynasty Empress Dowager Cixi of China Photographed in 1902
 (Photo: http://en.wikipedia.org/wiki/Empress_Dowager_Cixi)



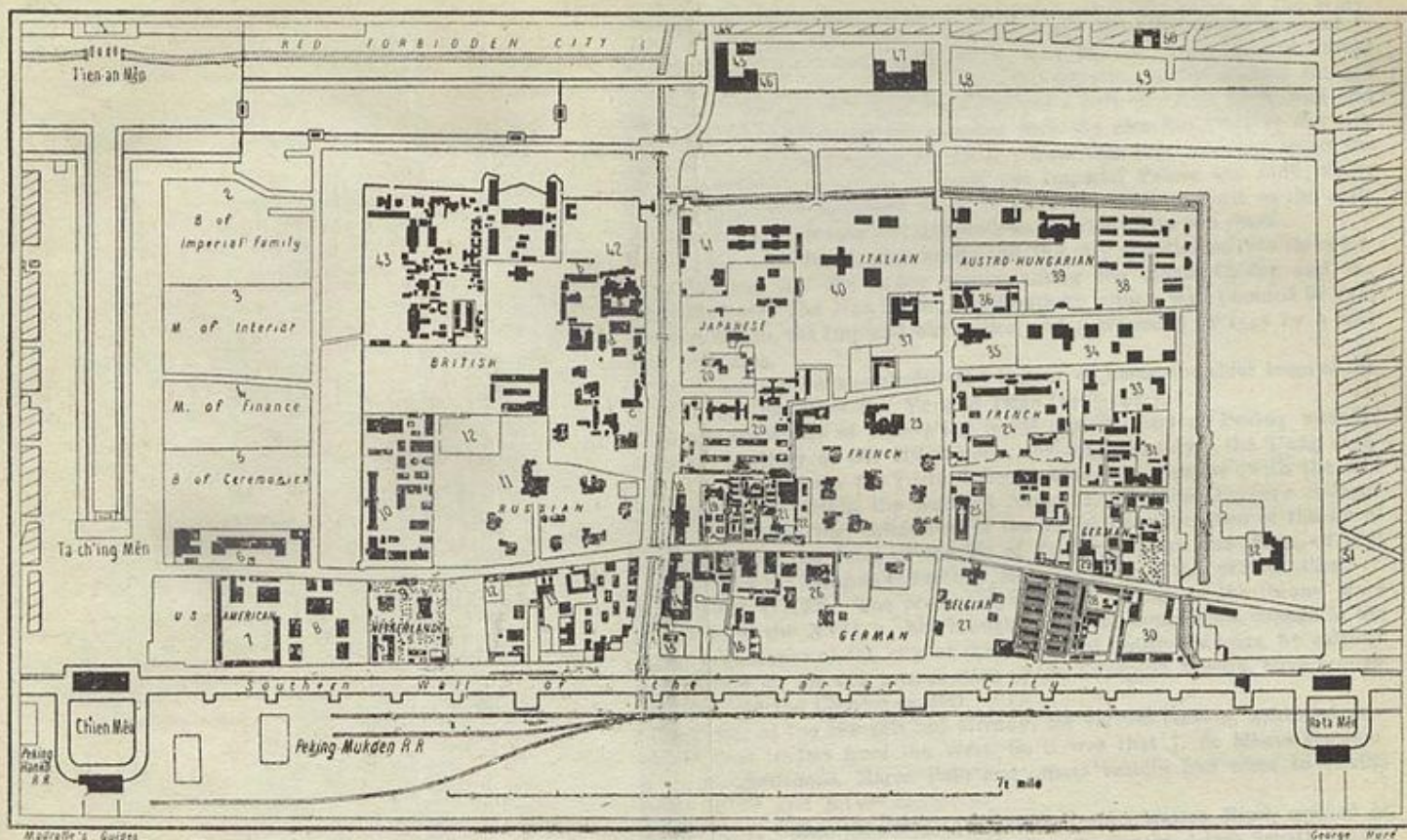
Empress Dowager Cixi and women of the American legation. Holding her hand is Sarah Conger, wife of the American minister to China. (Photo: http://en.wikipedia.org/wiki/Empress_Dowager_Cixi)



The Legation Street in Peking, China



Japanese Legation in Peking, China



PEKING. — LEGATION QUARTER

- | | | |
|--|---|--|
| 1. Tzū-chin Ch'eng. | 19. Spanish Legation. | 37. Inspectorate General of Imperial Maritime Customs. |
| 2. Tsung-jên Fu. | 20. Japanese Guard. | 38. Austro-Hungarian Guard. |
| 3. Li-pu. | 21. Japanese Legation. | 39. Austro-Hungarian Legation. |
| 4. Tu-chih-pu (formerly Hu-pu). | 22. French Post Office. | 40. Italian Legation. |
| 5. Li-pu. | 23. French Legation. | 41. Italian Guard. |
| 6. French Hospital (St-Michel). | 24. French Guard. | |
| 7. U. S. American Guard. | 25. French Catholique Church (St-Michel). | |
| 8. U. S. American Legation. | 26. German Legation. | |
| 9. Netherlands Legation and { a. Minister. | 27. Belgian Legation. | |
| Guard { b. Guard. | 28. German Guard. | |
| 10. Russian Guard. | 29. Deutsch-Asiatische Bank. | |
| 11. Russian Legation. | 30. Stores. | |
| 12. Russo-asiatic Bank. | 31. German Lazaret. | |
| 13. Banque de l'Indo-Chine. | 32. Hopkins Memorial Hospital. | |
| 14. Hôtel des Wagons-lits. | 33. Electric Station. | |
| 15. German Post Office. | 34. Imperial Maritime Customs, Residences and Head Offices. | |
| 16. Russian Post Office. | 35. Peking Club. | |
| 17. Hongkong and Shanghai B. C. | 36. Imperial Post of China, Secretary's Office. | |
| 18. Yokohama Specie Bank. | | |
| | | 42. British Legation { a. Minister. |
| | | { b. 1 st Secretary. |
| | | { c. 2 nd Secretary. |
| | | { d. Church. |
| | | 43. British Guard. |
| | | 44. Portuguese Legation. |
| | | 45. Chinese Post Office. |
| | | 46. Hôtel de Peking. |
| | | 47. Peking Han-k'ou R. R., Head Office. |
| | | 48. International Banking Corporation. |
| | | 49. Mexican Legation. |
| | | 50. Telegraph Office. |
| | | 51. Hôtel du Nord. |

Map of the Beijing Legation Quarter during 1912. The Zhengyangmen gate house and archery tower are visible at lower left; the Tiananmen gate house at upper left. The narrow corridor between them is the core of the present Tiananmen Square.

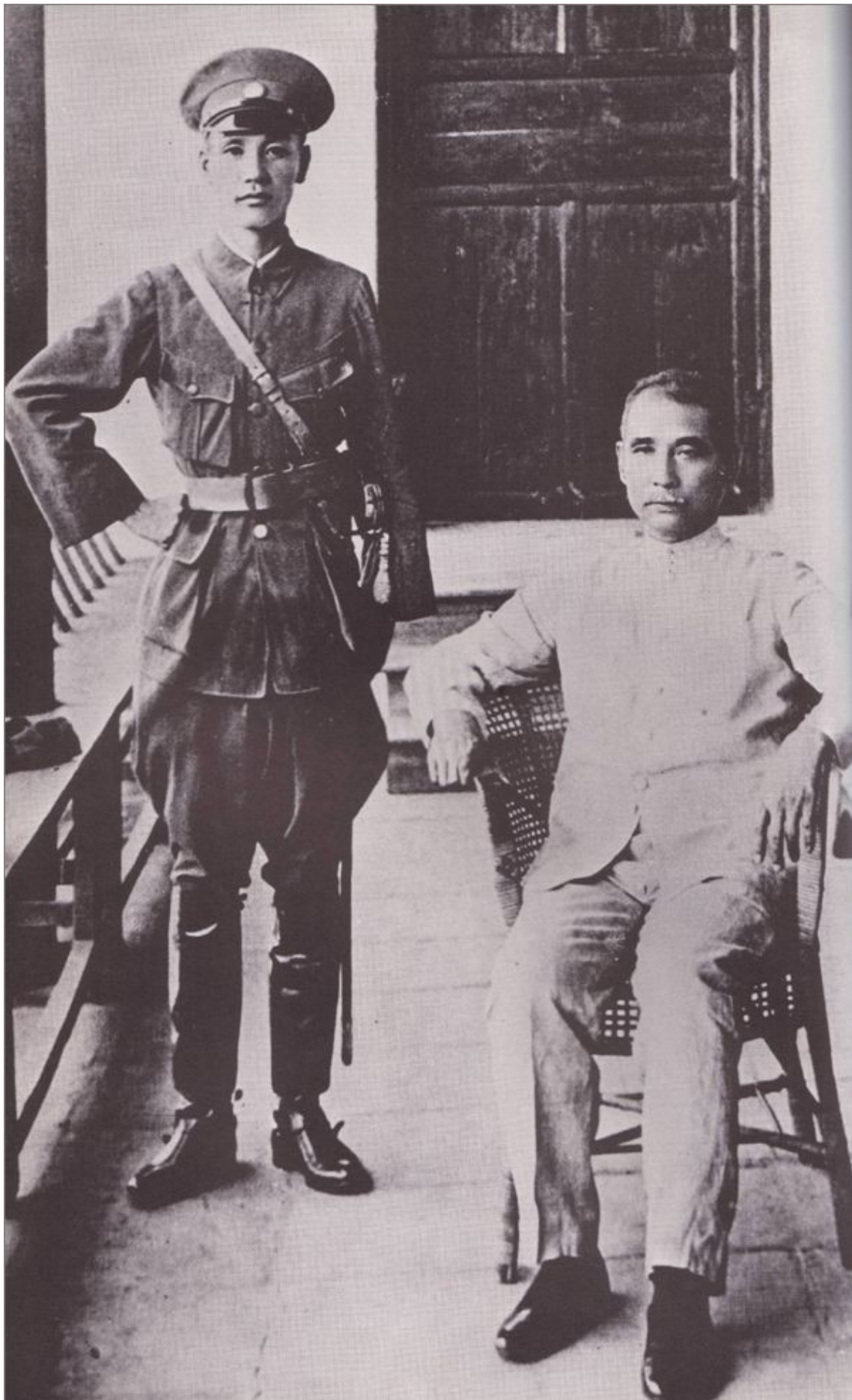
Wuchang Uprising and the Establishment of the Republic of China



A statue of Dr. Sun Yat-sen appears in front of the First Uprising Plaza of Wuhan in Wuhan (武漢), China in front of the office building of the Hubei Military Government, the organization of revolutionaries established one day after the uprising. Dr. Sun Yat-sen was living in the United States of America when the Wuchang Uprising occurred on October 10, 1911, toppling the Ching Dynasty and the Manchurian Empire. Dr. Sun Yat-sen was educated in Hawaii and spent several years living in exile prior to the Wuchang Uprising. (Photo: Wikipedia)



he rebels seize a train carrying ammunition for the imperial troops during a revolt in China in 1911.



Republic of China's provisional President Dr. Sun Yat-sen (seated) and his assistant General Chiang Kai-shek visit the Whampoa Military Academy near Canton on June 16, 1924. Chiang Kai-shek went to Japan in 1908 to serve in the Japanese Imperial Army. Chiang Kai-shek was a lieutenant in the Japanese Imperial Army when he deserted the Japanese military in October 1911 and returned to China to fight against the Manchurian regime. (Source: *Chiang Kai-shek* by Robert Payne)

“The Kuomintang ideals were a mixture of Western, native Chinese, and Bolshevik Russian factors. They sought to achieve a unified, independent China with a democratic government and a mixed, cooperative, Socialistic, individualistic economic system. In general, Dr. Sun went to China's own traditions for his cultural ideas, to Western (largely Anglo-American) traditions for his political ideas, and to a mixture, with strong Socialist elements, for his economic ideas. His program envisaged the achievement of these ideals through three successive stages of development of which the first would be a period of military domination to secure unity and independence, the second would be a period of Kuomintang dictatorship to secure the necessary political education of the masses, and only the third would be one of constitutional democracy. This program was followed as far as Stage Two. This presumably was reached in 1927 with the announcement that the Kuomintang would henceforth be the sole legal political party. This had been preceded by eleven years of military domination in which Chiang Kai-shek emerged as the military ruler of most of China in the name of the Kuomintang. The Kuomintang, under Dr. Sun's influence, accepted the support and some of the ideas of the Communist International, especially in the period 1924-1927. Lenin's theories of the nature of “capitalist imperialism” were quite persuasive to the Chinese and gave them, they thought, the intellectual justification for resisting foreign intervention in Chinese affairs. Russian agents, led by Michael Borodin, came to China after 1923 to assist China in “economic reconstruction,” political “education,” and resistance to “imperialism.” These Russians reorganized the Kuomintang as a totalitarian political party on the Soviet Communist model, and reorganized Chinese military training at the famous Whampoa Military Academy. From these circles emerged Chiang Kai-shek. With German military advisers playing a prominent role in his activities, he launched a series of attacks which extended Kuomintang rule into the territory of the war lords north of the Yangtze River. The chief of these northern warlords, Chang Tso-lin, held his position by cooperation with the Japanese and by resistance to Russian efforts to penetrate Manchuria. As Chiang Kai-shek achieved military success in these areas after 1926, he became increasingly conservative, and Dr. Sun's program of democracy and Socialism receded further into the future. At the same time, the interference and intrigue of the Communist elements in the Kuomintang camp justified increasingly vigorous repression of their activities. Finally, Chiang's increasing conservatism culminated in 1927 in his marriage to a member of the wealthy Soong family. Of this family, T. V. Soong was an important banker and speculator, his brother-in-law, H. H. Kung, was in a similar economic position, while another sister (alienated from the family by her Communist sympathies) was Mrs. Sun Yat-sen. Soong and Kung between them dominated the Kuomintang government, the former becoming minister of finance while the latter was minister of industry, commerce, and labor. In 1927 the Communist collaboration was ended by the Kuomintang, the Russians were expelled from China, and the Kuomintang became the only legal party. The native Chinese Communists, under Moscow-trained leaders like Mao Tse-tung, concentrated their strength in the southern rural areas where they established themselves by agrarian reforms, expropriating landlords, reducing rents, taxes, and interest rates, and building a Communist rural militia manned by the peasants. As soon as the Nationalist forces under Chiang Kai-shek completed the conquest of northern China with the capture of Peking in June 1928, they shifted their attack southward in an effort to destroy the Communist center in Kiangsi. The Communist army, whose growing exactions had disillusioned its peasant supporters, retreated in an orderly withdrawal on a twisting six-thousand-mile route to northwestern China (1934-1935). Even after the Japanese attack on Manchuria in 1931, Chiang continued to fight the Communists, directing five large-scale attacks upon them in the period 1930-1933, although the Communists declared war on Japan in 1932 and continued to demand a united front of all Chinese against this aggressor for the whole period 1931-1937.”

– *Tragedy and Hope* by Carroll Quigley, p. 565-566

“As they were preparing their new assault, Chiang Kai-shek was busy preparing a sixth campaign against the Communists, still lurking in the remote northwestern part of China. Neither the growing threat from Japan nor the appeals from the Chinese Communists to form a united Chinese front against Nippon deterred Chiang from his purpose to crush the Communists until, in December 1936, he was suddenly kidnaped by his own northern commander, Chang Hsueh-liang, at Sian, and was forced, under a threat of death, to promise to fight Japan. A Kuomintang-Communist united front was formed in which Chiang promised to fight Japan rather than the Communists and to relax the Kuomintang restrictions on civil liberties, while the Communists promised to abolish their Chinese Soviet Government, become a regional government of the Republic of China, end the expropriation of the landlords, cease their attacks on the Kuomintang, and incorporate their armed forces into the National Army of Chiang Kai-shek on a regional basis. This agreement had hardly been made, and had not yet been published, when the Japanese opened their attack on North China (July 1937). They were generally successful against a tenacious defense by the National government, driving it successively from Nanking to Hankow (November 1937) and from Hankow to Chungking on the remote upper reaches of the Yangtze River (October 1938). The Japanese, with quite inadequate forces of only seventeen divisions totaling less than 250,000 men in all areas, tried to destroy the Nationalist and Communist armies in China, to cut China off from all foreign supplies by controlling all railroads, ports, and rivers, and to maintain order in Manchuria and occupied China. This was an impossible task. The occupied areas soon took the form of an open lattice in which Japanese troops patrolled the rivers and railroads, but the country between was largely in the control of Communist guerrillas. The retreat of the Nationalist government to remote Chungking and its inability to retain the allegiance of the Chinese peasants, especially those behind the Japanese lines, because of its close alliance with the oligarchy of landlords, merchants, and bankers, steadily weakened the Kuomintang and strengthened the Communists.”

– *Tragedy and Hope* by Carroll Quigley, p. 568



Dr. Sun Yat-sen appears with his Japanese friends in Tokyo, Japan in 1900. From left to right: Suenage Takashi, Ryohei Uchida, Miyazaki Torazo, Koyama Yutaro, Kiyofuji Koshichiro, and Dr. Sun Yat-sen. Ryohei Uchida (内田良平, February 11, 1873-July 26, 1937), a Japanese ultranationalist, founded the Black Dragon Society (黒龍会, Kokuryukai) in 1901. (Photo: Shanghai Museum of Sun Yat-Sen's Former Residence [/Wikipedia](http://www.republicanchina.org/revolution.html))



Dr. Sun Yat-sen (front row, center) resumes his position as President of the Republic of China some time after the death of Yuan Shih-kai in 1916.



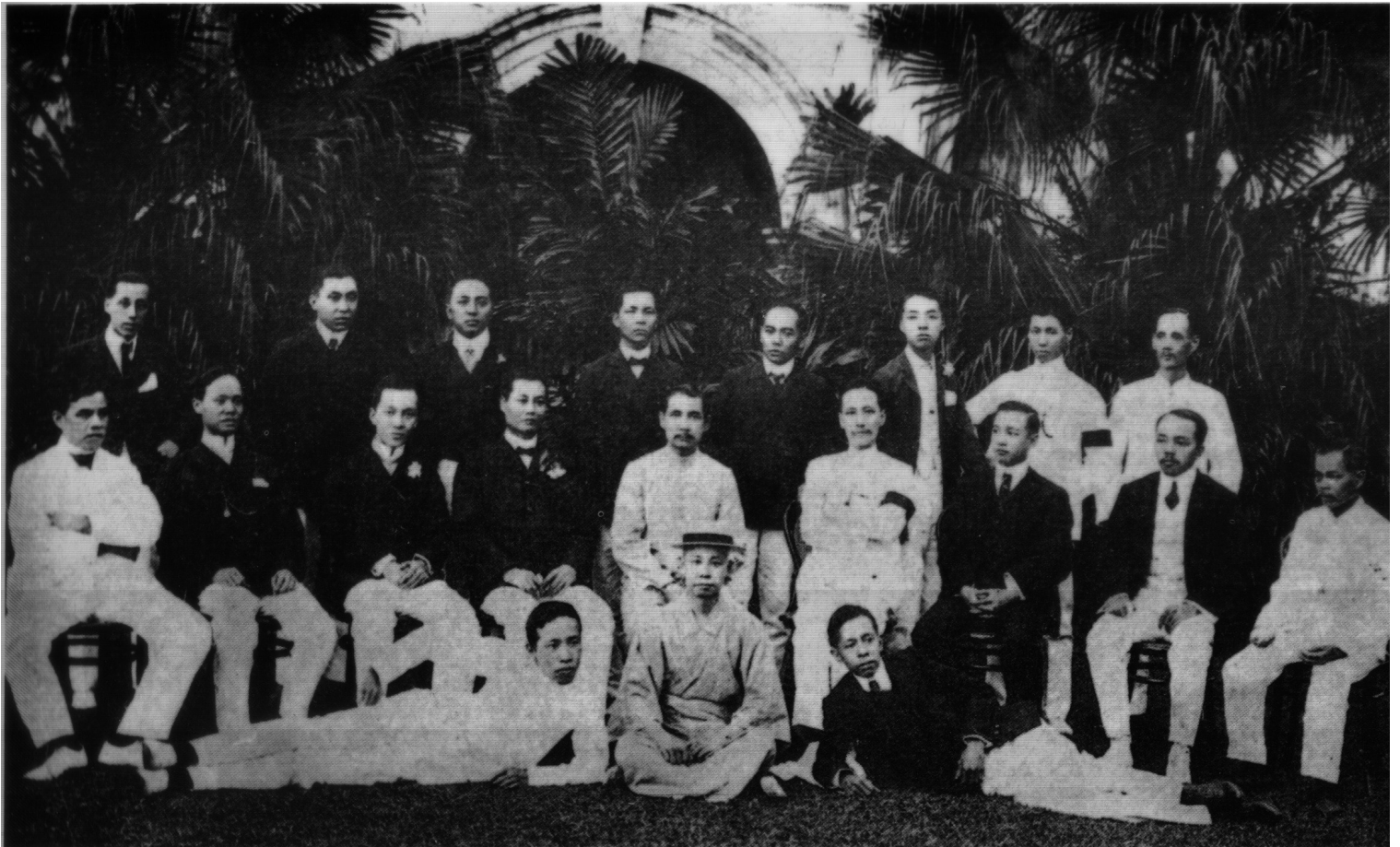
Dr. Sun Yat-sen together with his friends in Japan in 1898. Front row from left: Tasunaga Tonosuke, Yang Quyun, Hirayama Shu, Suenaga Takashi, **Ryohei Uchida**; back row from left: Kani Choichi, Koyama Yutaro, Miyazaki Torazo, **Dr. Sun Yat-sen**, Kiyofuji Koshichiro, Ohara Yoshitaka. (Source: Shanghai Museum of Sun Yat-Sen's Former Residence)



Dr. Sun Yat-sen sits together with his Japanese friends in Tokyo, Japan in May 1899. Front row from left: Miyakawa, Maimizu Tonosuke, (central row from left) Nakano, **Dr. Sun Yat-sen**, **Ryohei Uchida**, Shibada Rinjiro, (back row from left) Harahuchi Bunichi, Inoue Masaji, Miyazaki Torazo, Hiraoka, Kiyofuji Koshichiro. (Source: Shanghai Museum of Sun Yat-Sen's Former Residence)



Sun Yat-sen meeting G. Lynch, reporter of the American magazine *Look* (2nd from right) and Mario Ponce (1st from right, standing) in his Yokohama residence in Yokohama, Japan in January 1901. They discussed the event of the Huizhou Uprising.
(Source: Shanghai Museum of Sun Yat-Sen's Former Residence)



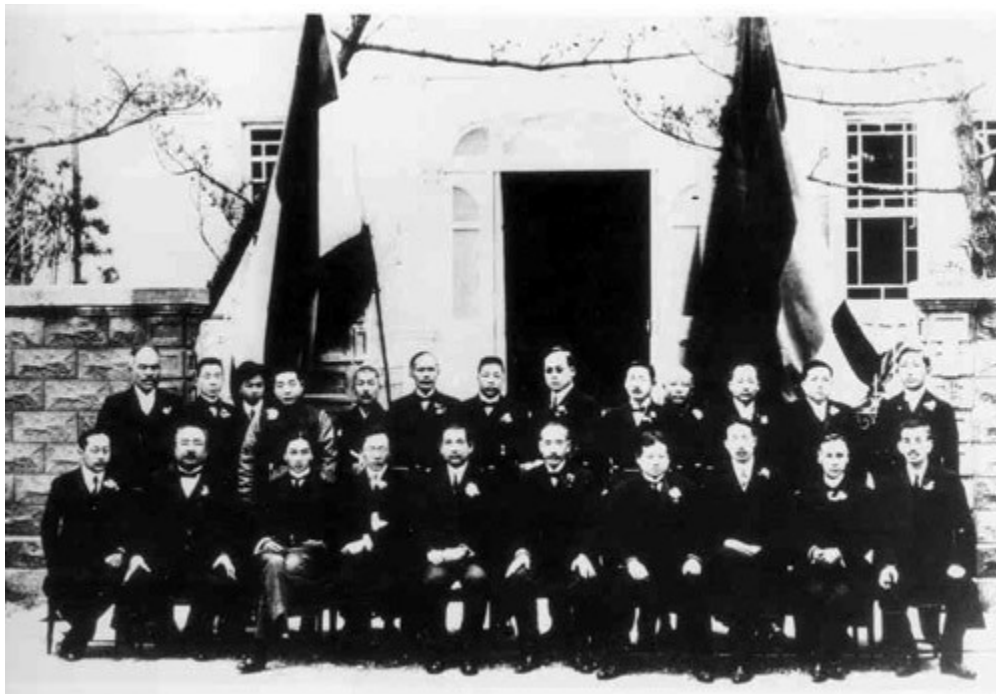
Dr. Sun Yat-sen together with members of Tongmen Hui in Wangqing Yuan when he came from Japan to revisit Singapore in March 1907; (front row from left) Zhang Ji, Lin Jingqu, Zhang Yongfu; (2nd row from left) Lin Hangweim Huang Kangqu, Chen Chunan, Huang Yaoting, Sun Yat-sen, You Lie, Zhang Chengzhong, Zhang Huadanm Liu Jinsheng. (Source: Shanghai Museum of Sun Yat-sen's Former Residence)



Yuan Shih-kai (袁世凱) was a Chinese warlord who served as the President of the Republic of China from 1912 to 1916. Yuan Shih-kai proclaimed himself the Emperor of China in December 1915 and ruled as "Emperor of China" from January 1, 1916 until his death on June 6, 1916. Yuan Shih-kai was the ruler of China when Japan issued the "Twenty-one Demands" ultimatum in 1915.



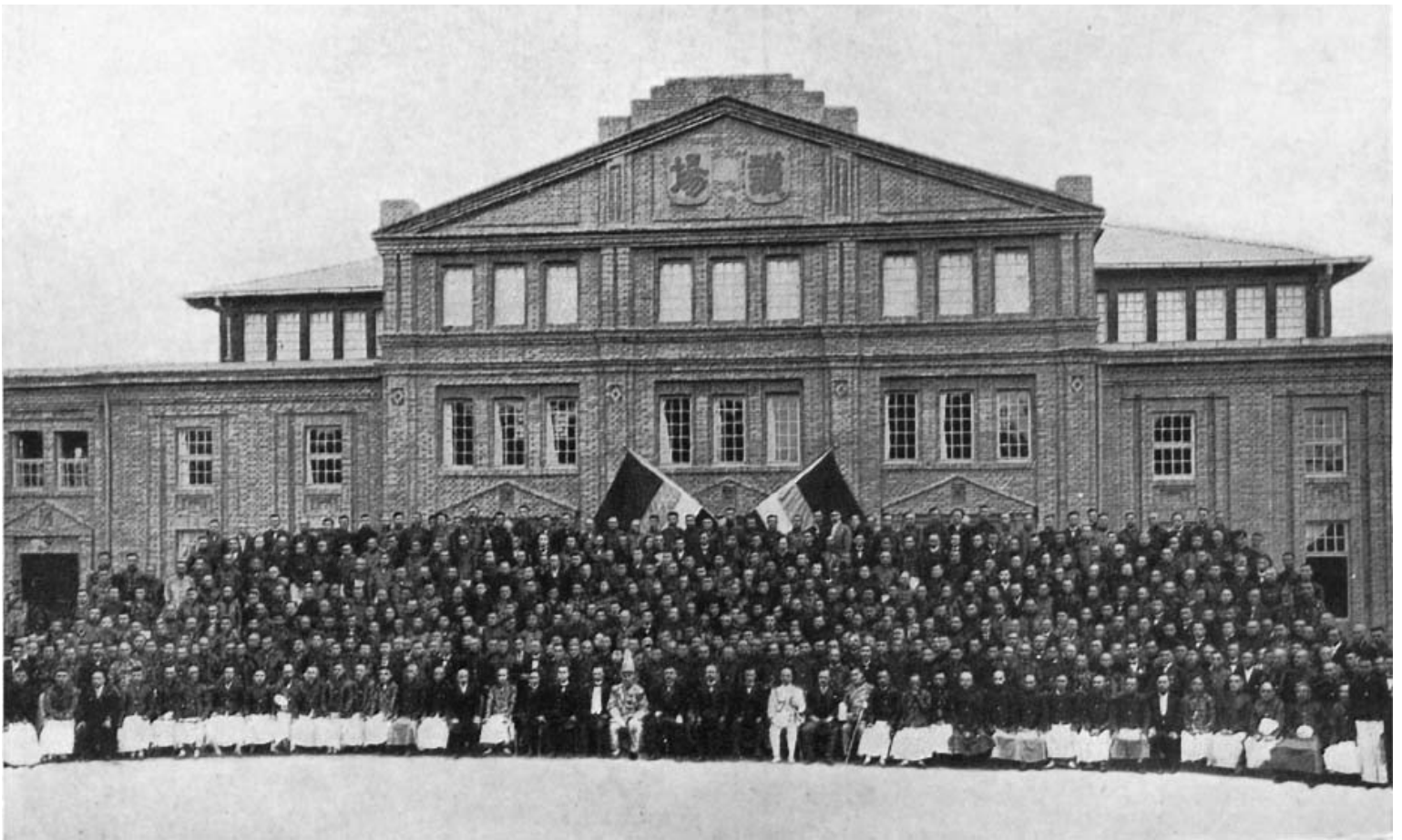
Yuan Shih-kai is carried on a litter on the day of his inauguration as President of the Republic of China on March 10, 1912.



Sun Yat-sen with Soong Yao Ru and others at Yiqing Pavilion in Kobe, Japan in 1913. Front row, from right to left: Yamada Junzaburo, Kamagawa Benzo, He Tian Jiong, Soong Yao Ru, Wu Jin Tang, Sun Yat-sen, Ma Jun Wu, Dai Ji Tao, Zheng Zhu San, Li Wen Quan; back row, from right to left: Guan Hui Quan, Ma Ping San, Chen Jian Zhou, Ma Zi Heng, Wang Jing Xiang, Yang Shou Peng, Chen Yuan Lai, Pan Lin Sheng, Kusagika Kinetaro, Wang Ji Ren, Wu Qi Fan, Wang Shou Shan, Du Yi Jun. (Photo: <http://english.cwi.org.cn/album/02.htm>)



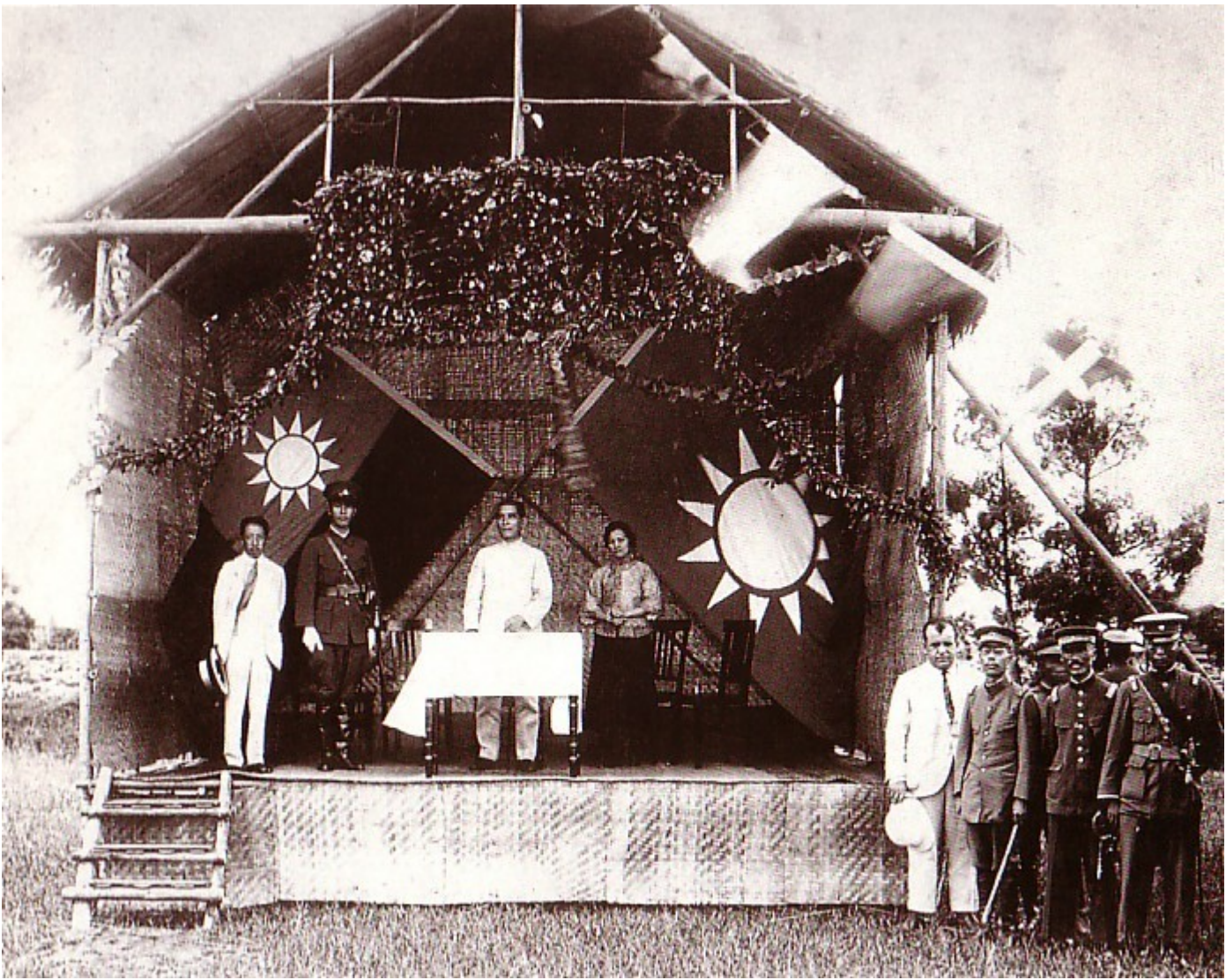
Dr. Sun Yat-sen (centre front row) and his wife Soong Ching-ling (on his right) participate in a rally to denounce "Emperor" Yuan Shih-kai while living in exile in Japan in April 1916. Also pictured are Liao Zhongkai (2nd left back row); He Xiangning (3rd right front row), Liao Mengxing (2nd left front row). The boy in front of Dr. Sun is Liao Chengzhi.



The re-opening of Parliament on August 1, 1916, after three years of dictatorial rule under Yuan Shih-kai.



Boat traffic and development along Suzhou Creek in Shanghai around 1920



Dr. Sun Yat-sen (middle) and General Chiang Kai-shek (on stage in uniform) stand on stage during a ceremony commemorating the founding of the Whampoa Military Academy near Canton, China in June 1924. Dr. Sun Yat-sen died less than a year later. (Photo: Wikipedia)



College students in Peking, China protest against unequal treaties, foreign encroachment, Japan's Twenty-One Demands, and the Versailles Treaty during the May Fourth Movement (五四運動) on May 4, 1919.



Soong Ching-ling (left, 1893-1981) accompanies her husband Dr. Sun Yat-sen (November 12, 1866 – March 12, 1925) in 1924 on his final trip to Peking.



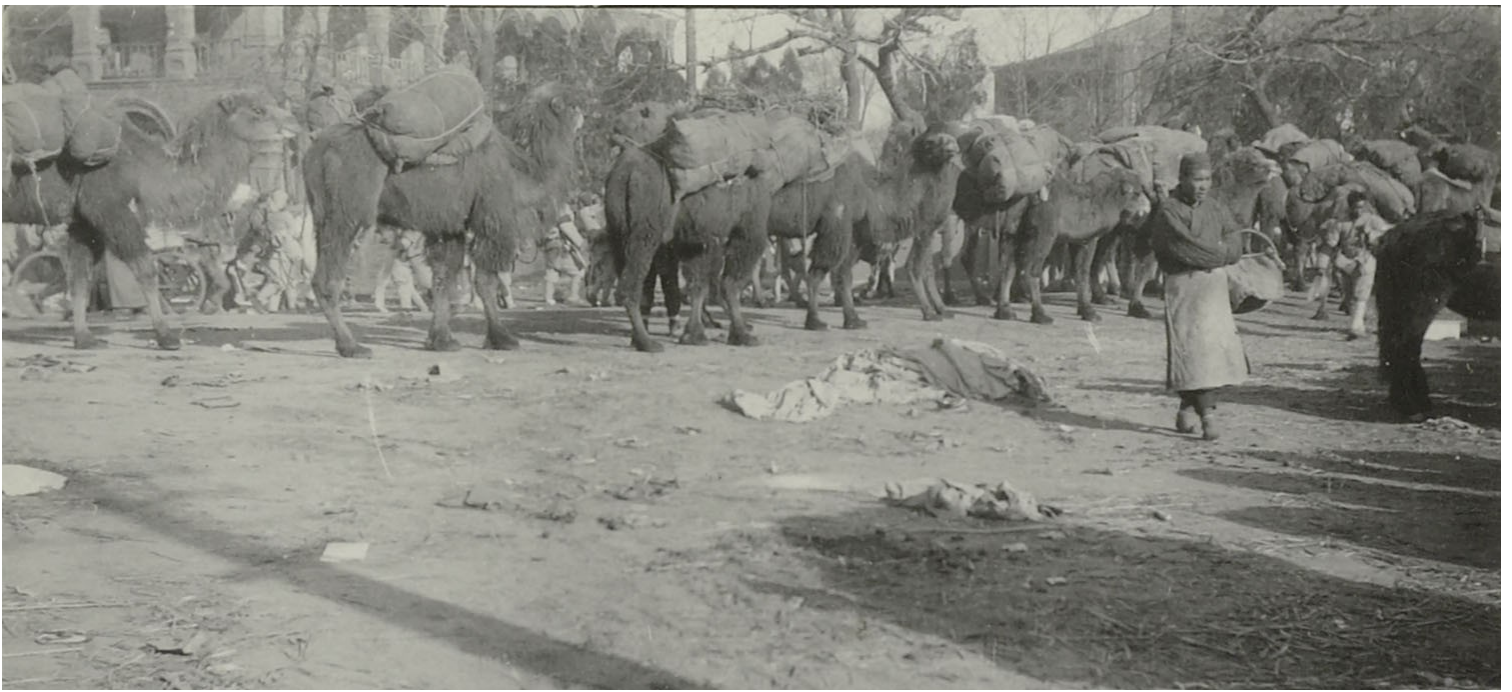
Soong Ching-ling (Madame Sun Yat-sen) was accorded a warm welcome on her arrival in Moscow in September 1927. (Photo: <http://english.cwi.org.cn/album/03.htm>)



Left photo: Dr. Sun Yat-sen (孫逸仙), the founder of the Republic of China and the Kuomintang (中國國民黨).
 Right photo: Republic of China's provisional President Dr. Sun Yat-sen visits the Whampoa Military Academy near Canton on June 16, 1924. Standing, from left to right: He Ying-qin, Chiang Kai-shek, and Wang Bo-ling.



Dr. Sun Yat-sen and his Military Staff in an undated photo.



Convoy of troops of General Feng Yuxiang (Feng Yu-hsiang) enters Tianjin (Tiensin) in December 1925.



Convoy of troops of General Feng Yuxiang (Feng Yu-hsiang) enters Tianjin (Tiensin) in December 1925.

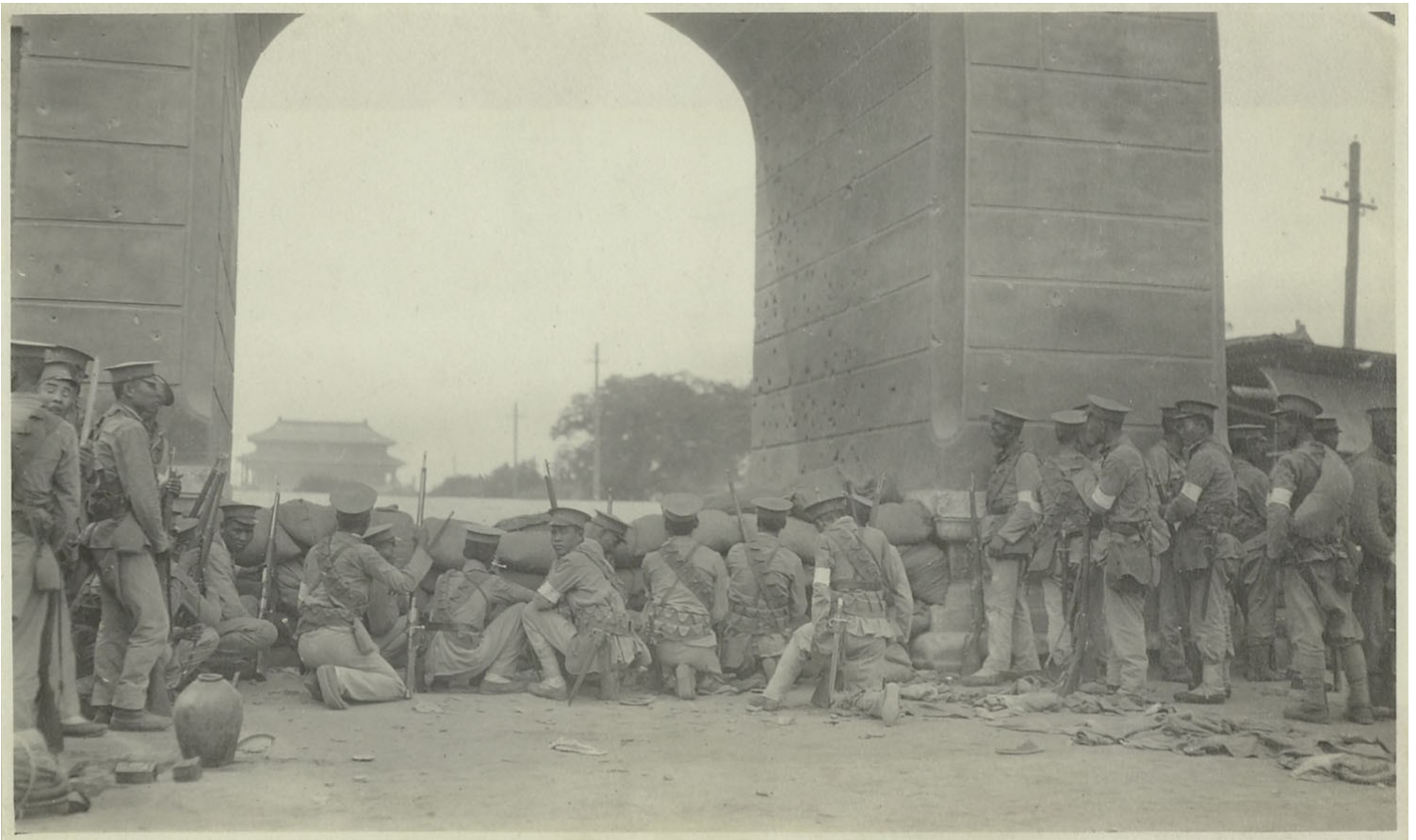
Foreign Intervention in China during the early 1900s



American soldiers of the U.S. Cavalry patrol the streets of Shanghai, China on horseback in 1925.



Soviet military adviser Mikhail Markovich Borodin and Zhang Tayley appear together in front of a podium in Shanghai on June 23, 1925, during a protest against the events of May 30.



Chinese Republican soldiers besiege the gates of the Forbidden City in Peking, China in July 1917 during the failed recovery of the Manchu dynasty.



European soldiers appear in Peking in July 1917 during a failed attempt to restore the Manchu dynasty.



FREDERICK W. STEVENS, New American Group, Representative at Peking. FREDERICK W. ALLEN, Lee Higginson & Co. HENRI MAZOT, French Group. GEORGES PICOT, French Delegate. THOMAS W. LAMONT, Chairman of American Trust. SIR CHARLES ADDIS, Chairman of British Group. J. ROSS TILFORD, American Secretary of Conference. R. C. WITT, British Group. RENE THION DE LA CHAUME, French Delegate. MORTIMER L. SCHIFF, Kuhn Loeb & Co. ALBERT H. WIGGIN, Chairman Chase National Bank of New York. CHARLES E. MITCHELL, Pres. National City Co. BURNETT WALKER, Vice President Guaranty Co. Representing Guaranty Trust Co. of N.Y. MALCOLM D. SIMPSON, Secretary American Group. JOHN A. ABBOTT, Vice President Continental and Commercial Trust. W. E. LEVESON, British Secretary of Conference. R. INCHINOMIYA, Japanese Delegate. SYDNEY F. MAYERS, British Delegate.

13. The Second China Consortium, New York, October 1920

International bankers attend The Second China Consortium meeting in New York City in October 1920. Left to right: Frederick W. Stevens, Frederick W. Allen, Henri Mazot, Charles E. Mitchell, Rene Thion de la Chaume, John A. Abbott, Burnett Walker, Georges Picot, Mortimer L. Schiff, Thomas W. Lamont, Sir Charles Addis, Kinpei Takeuchi, W.E. Leveson, J. Ross Tilford, Sydney F. Mayers, Malcolm D. Simpson, Albert H. Wiggin, R. Inchinomiya, and R.C. Witt. Charles E. Mitchell, Mortimer L. Schiff, Thomas W. Lamont, and Albert H. Wiggin were members of the Council on Foreign Relations. Frederick W. Allen was a member of Skull & Bones at Yale University.

(Photo: *Finance and Empire: Sir Charles Addis, 1961-1945* by Roberta Allbert Dayer)



10. Second Annual Dinner, Hong Kong and Shanghai Bank, at the Trocadero Restaurant, London, Wednesday, 13 January 1909. Charles Addis is circled

(Photo: *Finance and Empire: Sir Charles Addis, 1961-1945* by Roberta Allbert Dayer)



Firefighters are struggling with the disorder. Angry crowd throwing stones in the fire. Shanghai, China, in 1925.



A Chinese student tells the crowd about his disapproval of the presence of foreigners and informs the crowd that the Chinese people were trying to destroy the imperialists during a meeting in Shanghai in 1925.



British soldiers are in Hankou (Wuhan) to protect Western interests in 1926.



British troops arrived to protect the European settlers and traders in Hankou, China in 1926. The Chinese people, in conjunction with the National Revolutionary Army (Kuomintang) fighters, seized the territory of the British concession in Hankou on January 4, 1927.



Military ships and troops appear in the Chinese city of Hankou (Wuhan) in 1926.



Chinese people walk past debris in Hankou (Wuhan), a city that was almost entirely destroyed by civil war in China in 1926.



Military ships and troops appear in the Chinese city of Hankou (Wuhan) in 1926.



American troops arrive in Lichuang, China in 1927.



American troops arrive in Lichuang, China in 1927.



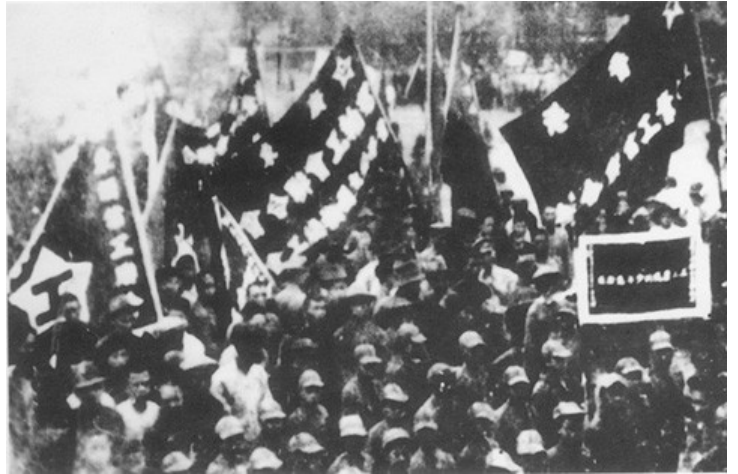
Arrival of Dutch sailors in mainland China from HMS Sumatra in 1927.



A truck carrying prisoners to their execution appears in the middle of the European Concession in Shanghai, China in 1926.



Left: A demonstration of striking Hong Kong seamen and workers in 1922



Right: Canton-Hong Kong strike in 1925



Rue de France in the French concession of Tientsin in the early 1920s



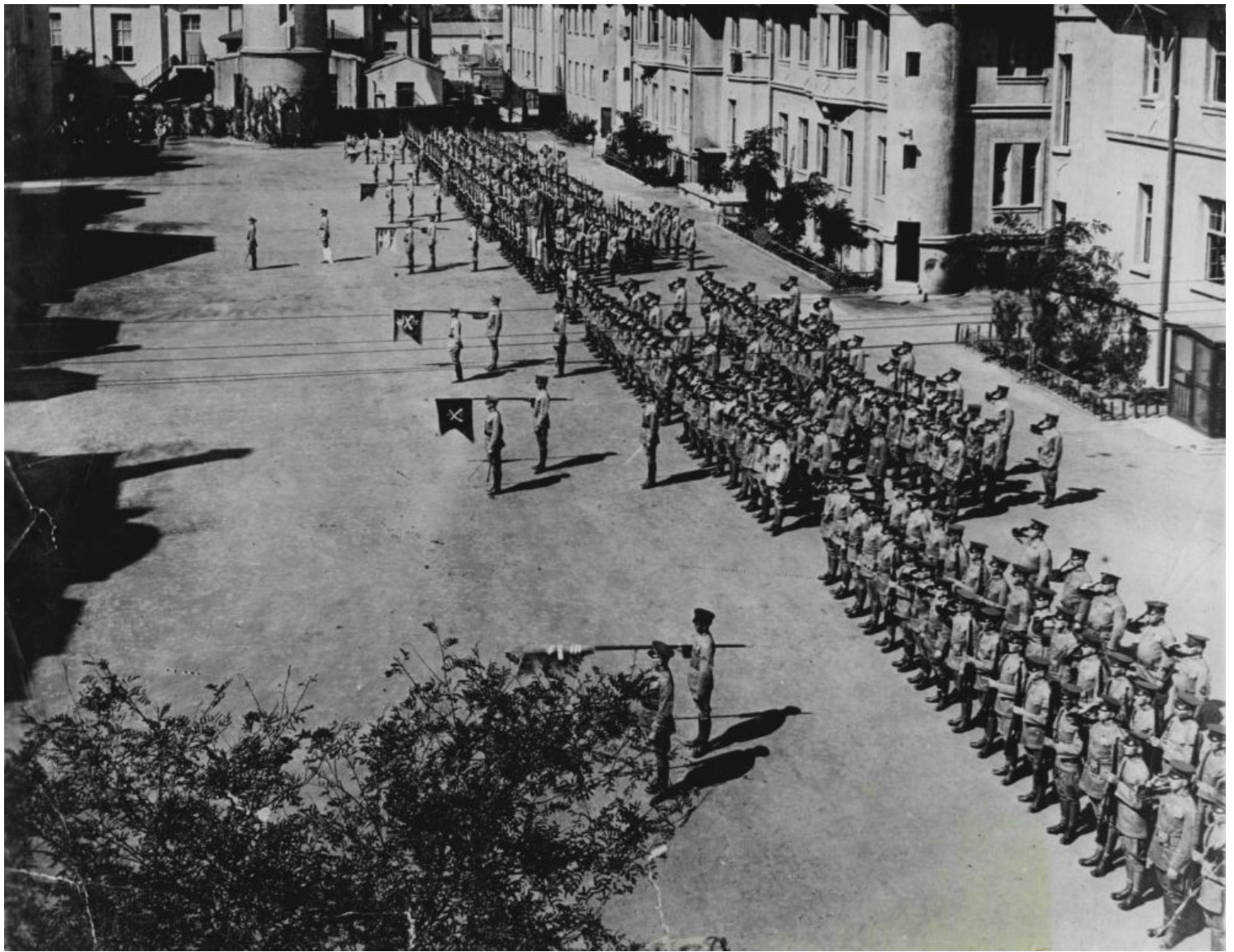
Armoured car in the streets of the French concession during the 1928 troubles



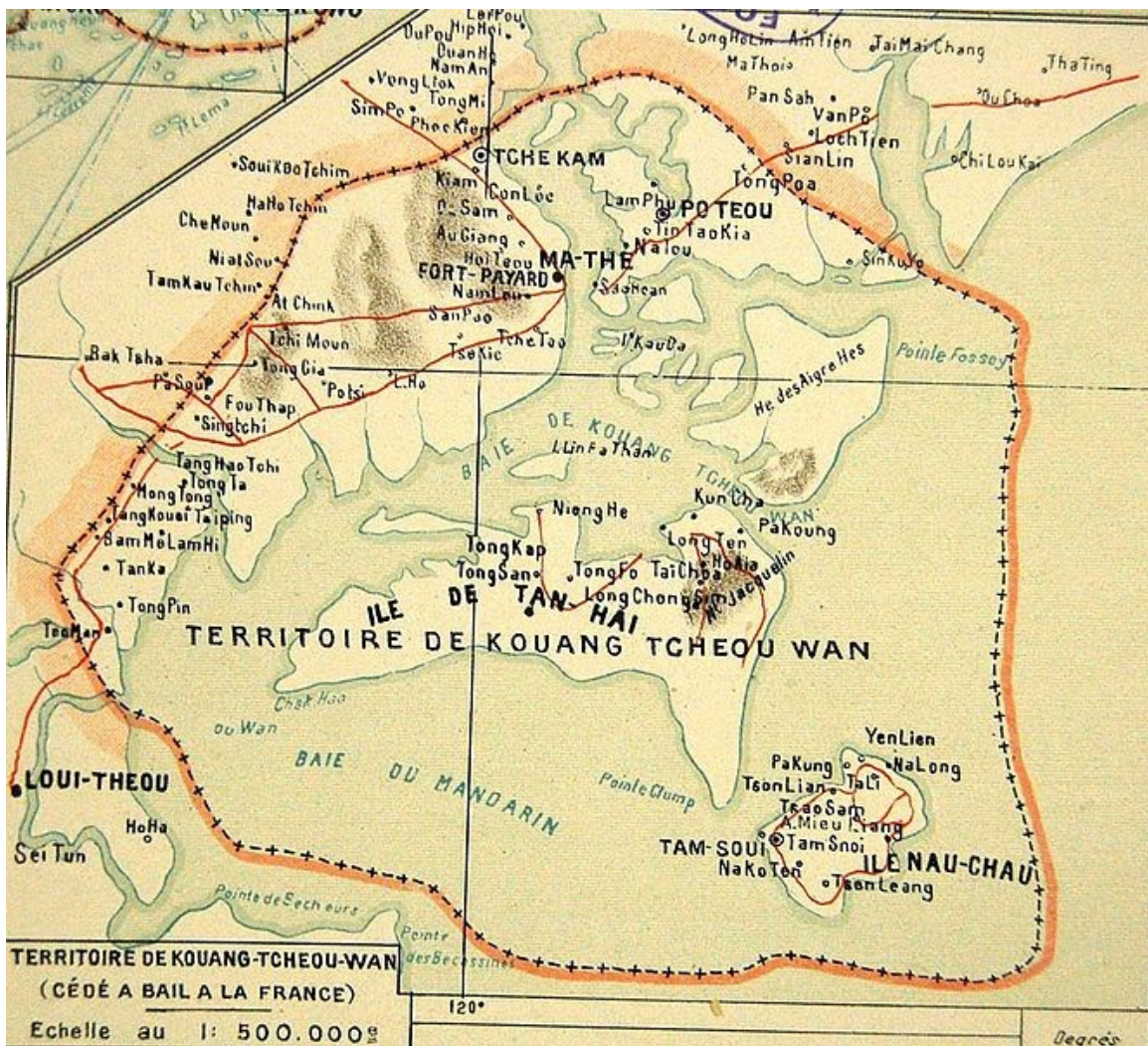
German Concession of Tientsin circa 1913-1914



Gordon Hall in Tientsin, China



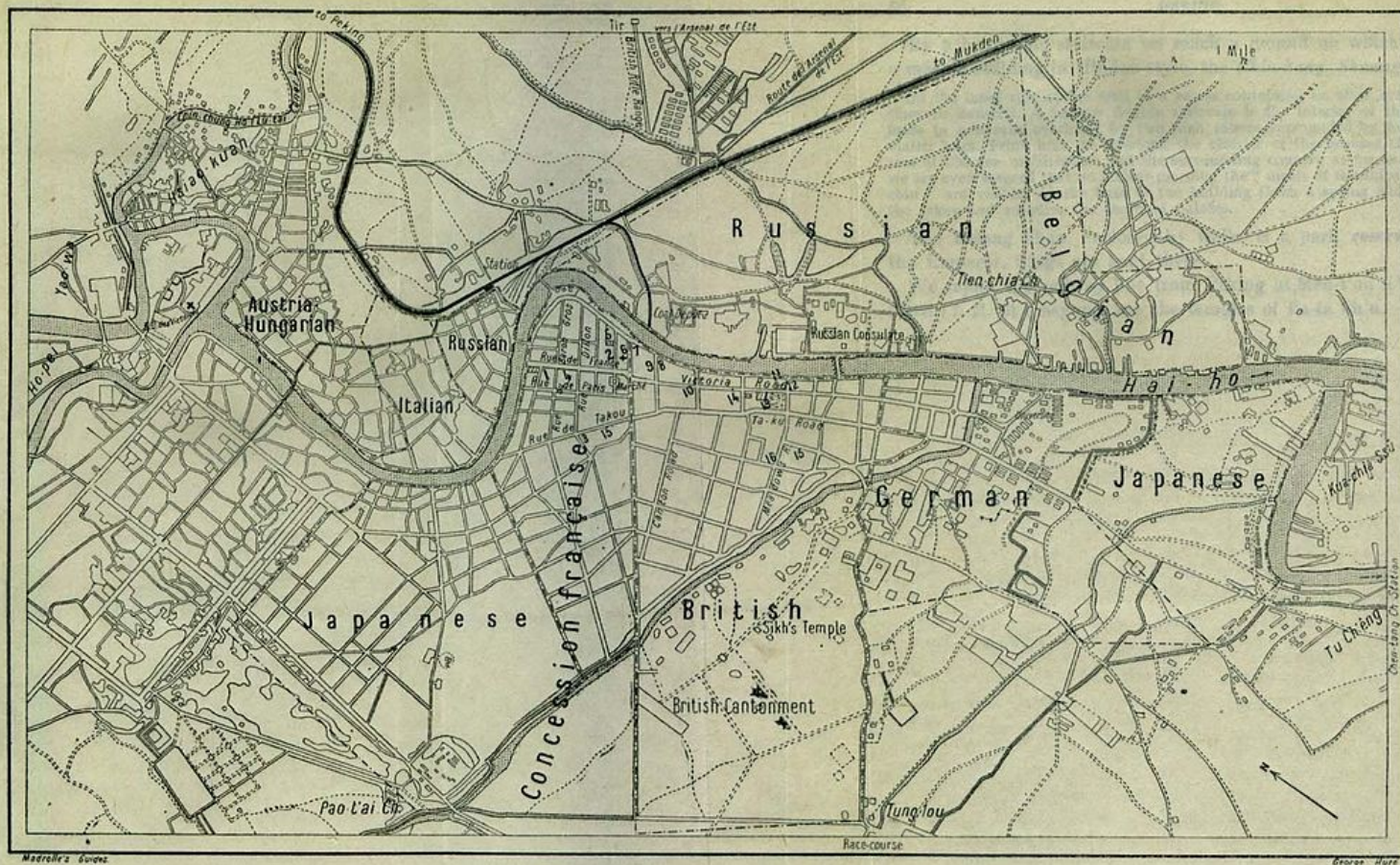
The United States 15th Infantry appear in a parade in Tientsin, China in the aftermath of severe rioting in the city in November 1931. American troops were joined in guard duty by the troops of other foreign powers. (Associated Press photo)



A 1909 map of Kwang-Chou-Wan, a French colony in southern China



Post & Telegraph building in the French territory of Kwangchowwan in the 1920s



T'IENTSIN. — THE SETTLEMENTS

- | | | |
|----------------------------|---------------------------------------|------------------------------|
| 1. Imperial Hotel. | 6. French Catholic Church (St-Louis). | 11. Deutsch-Asiatische Bank. |
| 2. Hôtel de la Paix. | 7. Hongkong Shanghai B. C. | 12. Astor House H. |
| 3. Ecole de Médecine. | 8. English Consulate. | 13. Gordon Hall. |
| 4. Banque de l'Indo-Chine. | 9. Russo-asiatic B. | 14. English Club. |
| 5. Consulat de France. | 10. Chartered Bank. | 15. English Church. |

A map of Tientsin, China during the early 1900s. Tientsin was divided into several foreign concessions



The Austro-Hungarian naval corps poses for a portrait in Tientsin in circa 1903-1904.



Main gate of Chinese munitions depot at Kiautschou Bay was taken over by the Imperial German Navy in 1898. Germany governed the Kiautschou Bay concession as a German Leased Territory from 1898 until 1919. Japan occupied the Kiautschou Bay concession during World War I. (Photo: German Federal Archives)



Administration/commercial building and harbor area of China, Tsingtau, China in 1912 (Photo: German Federal Archives)



Bundesarchiv, Bild 134-A309
Foto: o. Ang. | 1903

Kapitän zur See [Captain] Oskar von Truppel, Governor of the German colony of Kiautschou Bay, appears with Chou Fu, Governor of the Chinese province of Shantung, in 1903. (Photo: German Federal Archives)



Bundesarchiv, Bild 116-424-093
Foto: o. Ang. | 1912 ca.

Commercial harbour of Tsingtau, China in circa 1912 (Photo: German Federal Archives)



Bundesarchiv, Bild 134-B2324
Foto: o. Ang. | 1899

Prince Henry of Prussia (behind, 3rd from left) visits Tsingtau, China in 1899. (Photo: German Federal Archives)

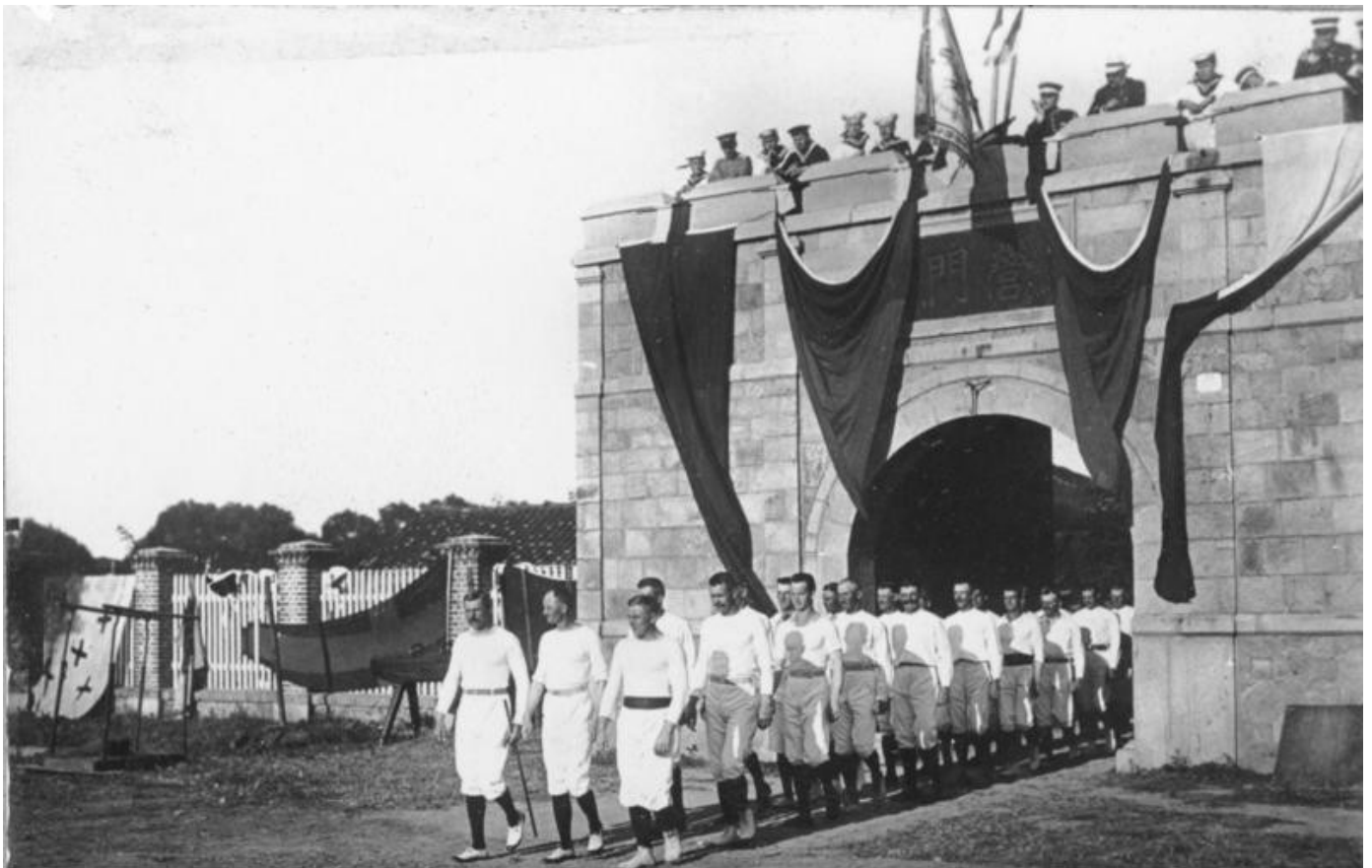


Bundesarchiv, Bild 134-A388
Foto: o. Ang. | o. Dat.

Governor's House in Tsingtau, China, the "capital" of Kiautschou Bay concession (Photo: German Federal Archives)



Sketch map of Tsingtau, China in circa 1906



Bundesarchiv, Bild 137-014950
Foto: o. Ang. | 1913

German dignitaries celebrate Oktoberfest in Tsingtau, China in 1913 (Photo: German Federal Archives)

Chinese Civil War: Part 1 (1927-1937)



Chiang with General Blucher and other senior Soviet military advisers during a pause in the Northern Expedition, November 1926. Courtesy KMT Party History Institute.

(Source: *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor)



Generalissimo Chiang Kai-shek's execution squad, primarily led by members of the Green Gang, beheads communist workers in Shanghai on April 12, 1927.



General Chiang Kai-shek in his car, accompanied by armed bodyguards, in China in 1927.



Harvard-educated T.V. Soong, the Finance Minister of the Republic of China, appears with his bodyguards in Canton, China in 1927. One of T.V. Soong's sisters was Soong Mei-ling, the wife of Generalissimo Chiang Kai-shek.



Chinese people protest against the interference of foreign powers and foreigners in China in Nanking, China in 1927.



Shanghai workers' march after the armed insurrection that occurred in Shanghai on April 12, 1927.



Minister of Finance Sun greets the crowd during the anti-foreign demonstrations in Hankou, China in 1927. After the demonstration began looting and unrest.



The two (Chinese?) women broke the law to boycott the British, Americans and Japanese presence in Hankou, China in 1927. They were tried publicly on the street, convicted quickly, and sentenced to death.



A Chinese man wears clothing with anti-Japanese slogans during an anti-foreign demonstrations in Hankou, China in 1927.



A group of Chinese people examine corpses of soldiers at a railway station in China in 1927.



The corpses of three of Generalissimo Chiang Kai-shek's Chinese Nationalist soldiers appear in simple coffins. The soldiers were killed during riots in Shanghai in 1927.

The execution of Communists and suspects after the Canton insurrection of December, 1927.

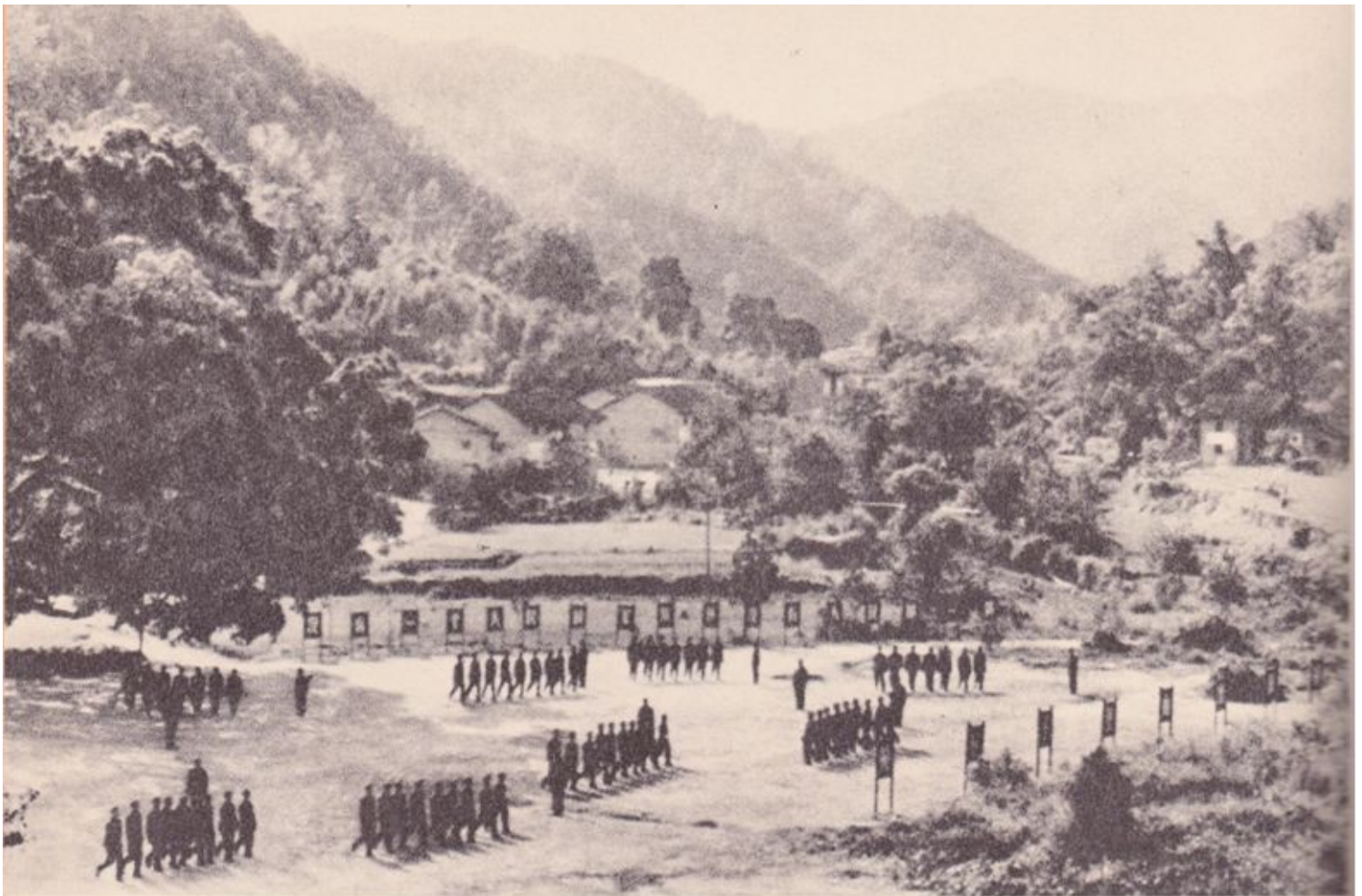


Jay Calvin Huston Collection, courtesy the Hoover Institution, Stanford, California.

(Source: *The Long March to Power: A History of the Chinese Communist Party, 1921-72* by James Pinckney Harrison)



Mao Tse-tung appears at his temporary Chinese Communist Headquarters in Yen-an, Republic of China in the 1930s. From left to right: Mao Tse-tung, Earl Leaf (UPI correspondent), Chu Teh, and Madame Tse-Tung. (Photo: © Bettmann/CORBIS)



China Pictorial, no. 10, 1971.

Sanwan Village today. In September, 1927, Mao Tse-tung and survivors of the Autumn Harvest Uprising in Hunan Province made their way to this village in Yunghsin County, Kiangsi. During the following months, they formed a nucleus of the Red Army in adjoining areas of the Chingkang Mountains.

(Source: *The Long March to Power: A History of the Chinese Communist Party, 1921-72* by James Pinckney Harrison)



A Communist leader addresses Long March survivors circa 1930s.

Warlords

26



Feng Yu-hsiang.
The Christian general.

27



Wu Pu-fei.
A scholar and philosopher.

28



Chang Tso-lin.
The lord of Manchuria.

29



Yen Hsi-shan.
The "model governor" of
Shansi Province.

30

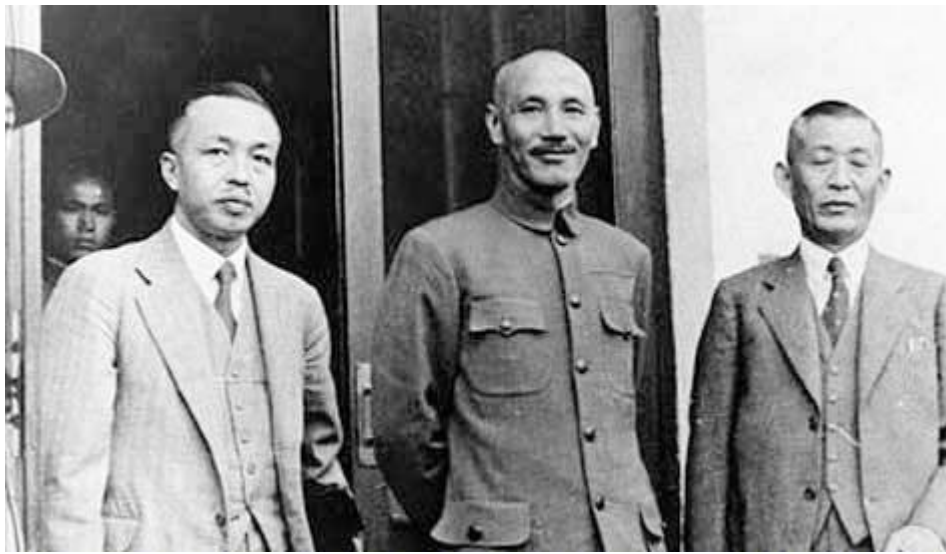


Sun Chuan-fang.
He controlled five
provinces.

31



Chang Tsung-ch'ang.
Known as "The Monster,"
he was 6 foot, 6 inches tall.



Japanese Ambassador Shigeru Kawagoe visits Generalissimo Chiang Kai-shek in Nanking, China in 1936. The Imperial Japanese government demanded that the Chinese Nationalist government grant the Imperial Japanese government the right to deploy Imperial Japanese troops anywhere in mainland China where there was conflict between the Nationalists and the Communists. Chiang Kai-shek eventually refused to negotiate with Ambassador Kawagoe, and Imperial Japan invaded Shanghai and Nanking the following year. (Photo: http://ww2db.com/image.php?image_id=6259)



Generalissimo Chiang Kai-shek announces the start of a war of resistance against the Japanese invasion in Lushan, China on July 10, 1937.



Generalissimo Chiang Kai-shek reviews Chinese troops at the National Wuhan University, China in December 1937.
(Photo: http://ww2db.com/image.php?image_id=8811)



Chinese Nationalist traitor and Imperial Japanese collaborator Wang Jingwei (left) appears with Generalissimo Chiang Kai-shek (right, wearing a hat) in an undated photo. Wang Jingwei served as Premier of the Republic of China from January 28, 1932 until December 1, 1935.



A group of Chinese soldiers march in formation at the Marco Polo Bridge near Peking during the Marco Polo Bridge Incident on July 7, 1937.



Imperial Japanese army troops enter Shanghai in November 1937.



Chang Hsueh-liang (Zhang Xueliang) (left), the “Young Marshal” who once served as the warlord of Manchuria, conspired with Communist Party member Chou Enlai (right) to kidnap Generalissimo Chiang Kai-shek and participated in the kidnapping of Generalissimo Chiang Kai-shek in Sian, China on December 12, 1936 [“The Sian Incident”]. He was sentenced to house arrest for over 50 years; he died at the age of 101 in Honolulu, Hawaii, U.S.A. on October 14, 2001.



Generalissimo Chiang Kai-shek (front row, center) and senior members of the Kuomintang pose for a portrait in circa 1936-1937, shortly after the Xian Incident. (Photo: [Wikipedia](#))

From right to left: Chiang Kai-shek, Madame Chiang, Madame Chang Hsueh-liang, Madame H. H. Kung, the "Young Marshal" Chang Hsueh-liang
Photograph taken in 1929



Generalissimo Chiang Kai-shek (far right) appears with (left to right) Chang Hsueh-liang (張學良) ("Young Marshal"), Madame H.H. Kung (Soong Ai-ling), Madame Chang Hsueh-liang, and his wife Madame Chiang Kai-shek in 1929, seven years prior to the Sian Incident (西安事變) (December 12-25, 1936) when Chiang Kai-shek was kidnapped by the "Young Marshal".
(Source: *Chiang Kai-shek* by Robert Payne)

“Although Sun [Yat-sen] refused to form a united front with the Communist Party, he would permit CCP and Socialist Youth Corps members to join the KMT. For its part, the CCP, at the Comintern’s insistence, reversed itself and agreed to accept a united front as a “bloc within the KMT.” The Soviet decision reflected the hope that with socialist-minded leaders like Sun Yat-sen, the KMT could be open to Communist influence. The Russians also felt they needed a strong, united, and friendly China serving as a bulwark against both Britain and Japan, and the KMT clearly was the more likely party to bring this about. At that point, the CCP had only 123 members and Maring did not consider it a serious organization. The KMT itself had only a few thousand members, but they included career military men, writers, teachers, and scholars, as well as the new and growing class of patriotic Chinese merchants and bankers. Most importantly, the KMT had an army. Dual membership in the KMT, the Soviets argued, would provide the small group of Communists with respect and credibility. On January 17, 1923, Adolph A. Joffe, a ranking Soviet diplomat, visited Sun [Yat-sen] in Shanghai and set out a detailed plan of cooperation that covered the quantity of Soviet weapons, ammunition, and cash that Moscow would provide, the admission of Chinese Communists to the Kuomintang, and the radical reorganization of the KMT along Marxist-Leninist lines...Sun soon named him [Chiang Kai-shek] to lead a KMT mission to Russia to study its military and party systems...Sun wrote Lenin and Trotsky introducing Chiang as his “most trusted deputy,” and in mid-August Chiang and three other Chinese delegates, including two CCP members, departed on a steamer headed to Manchuria. Taking a train from Dalian, the group crossed the Sino-Soviet border at Manzhouli and transferred to the Trans-Siberian Railway. With his three companions, Chiang spent almost three months in the USSR, inspecting units of the Red Army as well as naval and air bases. He also visited various organs of the Communist Party of the Soviet Union (then called the All Union Communist Party), military schools and academies, and even a chemical weapons factory. Chiang’s main mission, however, was to seek Soviet support for a new Northwest military strategy he himself had devised and Sun had approved. This strategy called for a Soviet-supported KMT military base in the far Northwest region of China from which the KMT could attack the Peking government. In a meeting with E.M. Sklyansky, deputy chairman of the Revolutionary War Council, and L.B. Kamenev, chief of staff, Chiang stressed that whichever plan was followed, the KMT was bent on early military action to eradicate the warlords and unite China. But the Russians were not happy. They did not want a Soviet-supported revolution to provoke the Japanese; moreover, early military action would not give the small Chinese Communist Party time to gain strength. Sklyansky told Chiang that military operations in China would only be possible after a great deal of political work; otherwise it would be an adventure “doomed to failure.” Leon Trotsky also explained to Chiang that while the Soviet Union would provide the national revolution in China all the help that it could in the form of weapons, advisers, and economic aid, it would not send troops.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 42-43

“Then, as Chen Lifu tells the story, after midnight on March 18 [1926], a Zhejiang member of the CCP Central Executive Committee passed a secret warning to Chiang that the Communists and the Russians were conspiring to oust him. The next day, a gunboat of the Revolutionary Navy called the *Zhongshan*, captained by a CCP member, made movements reported to Chiang that he thought suspicious, and Wang Jingwei twice called asking about Chiang’s schedule that day. According to Chen Lifu, Chiang became worried about a “trap” and decided to go by car to a site outside of Canton where elements of the loyal First Corps were camped. On the way he resolved to fight the Communist threat against him. He and senior officers in the First Corps discussed the matter all night and at 4:00 a.m. on March 20 he placed all of Canton under martial law and arrested both the captain of the *Zhongshan* and about fifty other Communists, including Zhou Enlai. His First Corps troops, for their part, disarmed the Communist worker pickets in Canton and took the weapons of the guards at the Compound of the Russian advisers...Although the CCP now had 30,000 members [in 1926], it still had no prospects of seizing power in the short term, and Stalin and the Comintern agreed it should continue its united front with the Kuomintang.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 55-57

“Since his wedding day, Chiang had regularly read the Bible that Mayling had given him. He made up his mind to go through it twice before deciding whether to become a Christian. When he was in town, Mayling and her missionary friends sometimes conducted Bible-reading sessions with the Generalissimo, and he usually carried a Bible while traveling. After three years of study he agreed to be baptized in the Soong family’s church in Shanghai. Like most everything else he professed to believe in, Chiang took his Christianity seriously. According to his later pastor on Taiwan, Chiang found Christianity appealing because it stressed the conversion of moral thought to action and was consistent with the moral teachings of Confucius. Chiang’s philosophical and emotional preoccupation with the concept of shame also fit with his new religion’s emphasis on sin and atonement. In addition, the practice of Job-like perseverance in the face of suffering, difficulty, and death was consistent with his ascetic, neo-Confucian outlook.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 91

“On April 6, the Supervisory Committee of the KMT – a mostly honorary body that did not have executive authority and included Chiang’s key backer Chang Jieru, as well as Dai Jitao and the Chen brothers – unanimously agreed to remove Communists from the party and established a coordinating group to do so: the “Shanghai Purge Committee.” The “most important objective,” Chen Lifu tells us in his memoirs, was to assure that the Green Gang did not ally with the CCP, which the KMT considered a real possibility. The two principal leaders of the Green Gang, Du Yuesheng [“Big Ears” Tu] and Huang Jinrong [“Pockmarked Huang”], “for political reasons” had “stayed close to the Communist Party” as well as the Kuomintang. According to Chen Lifu, Du had direct contact with Wang Shouhua, a Green Gang and CCP member who was leader of the Communist-led Shanghai Federation of Trade Unions. Because of these ties, the CCP Central Committee did not believe the powerful Green Gang was an imminent threat. But a ranking gang member named Yang Hu, who had worked with Chiang Kai-shek in the early years of the revolution, served as the KMT purge committee’s principal contact with Du Yuesheng, who was given 600,000 Chinese yuan by the committee to create a “Mutual Progress Society” of armed thugs to help carry out the gang’s assigned actions. Indeed, before leaving, Chiang appointed Yang commander of Shanghai’s garrisons. That same day, Manchurian marshal Zhang Zuolin’s police stormed into the large Soviet embassy in Peking, arresting Russian diplomats and CCP members, and carrying off truckloads of documents that provided “persuasive evidence of the degree to which Moscow, though its agent, Borodin, controlled the CCP.” Marshal Zhang ordered the strangulation of Li Dazhao and nineteen other CCP members taken at the embassy. But ruthlessness and treachery were inherent on both sides. By coincidence, also on April 6, Stalin, ignorant of events in Peking, told a meeting of three thousand party workers in Moscow that “When the [KMT] Right is of no more use, Chiang Kai-shek will be squeezed out like a lemon and flung far away.” The twenty-two-year-long Chinese civil war began in Shanghai in the early morning hours of April 12, 1927. The previous evening, the Green Gang’s Du Yuesheng invited his friend Wang Shouhua, the Communist labor leader, to his home for a chat. While there, Du advised Wang to quit the Communist party and join the KMT. Wang declined and as he left the house, two assassins gunned him down. Then, after midnight, Bai Chongxi’s Seventh Corps units in Shanghai took over the offices of the pro-Communist Labor Federation and shot resisting workers, while armed bands organized by the Green Gang as the Mutual Prosperity Society attacked workers’ inspection corps in several localities, killing several dozen resisters. Many more, including Zhou Enlai, were arrested and sent to Bai’s headquarters. Zhou was the ranking CCP official in the city, but Bai released him, very likely with Chiang’s approval or on his orders. Green Gang members rooted out other Communists in hiding, reportedly killing hundreds while thousands fled. When troops of the Seventh Corps fired on a demonstration, scores more lost their lives. Similar purges took place in Canton, Guilin, Ningbo, Amoy, and elsewhere.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 66-67

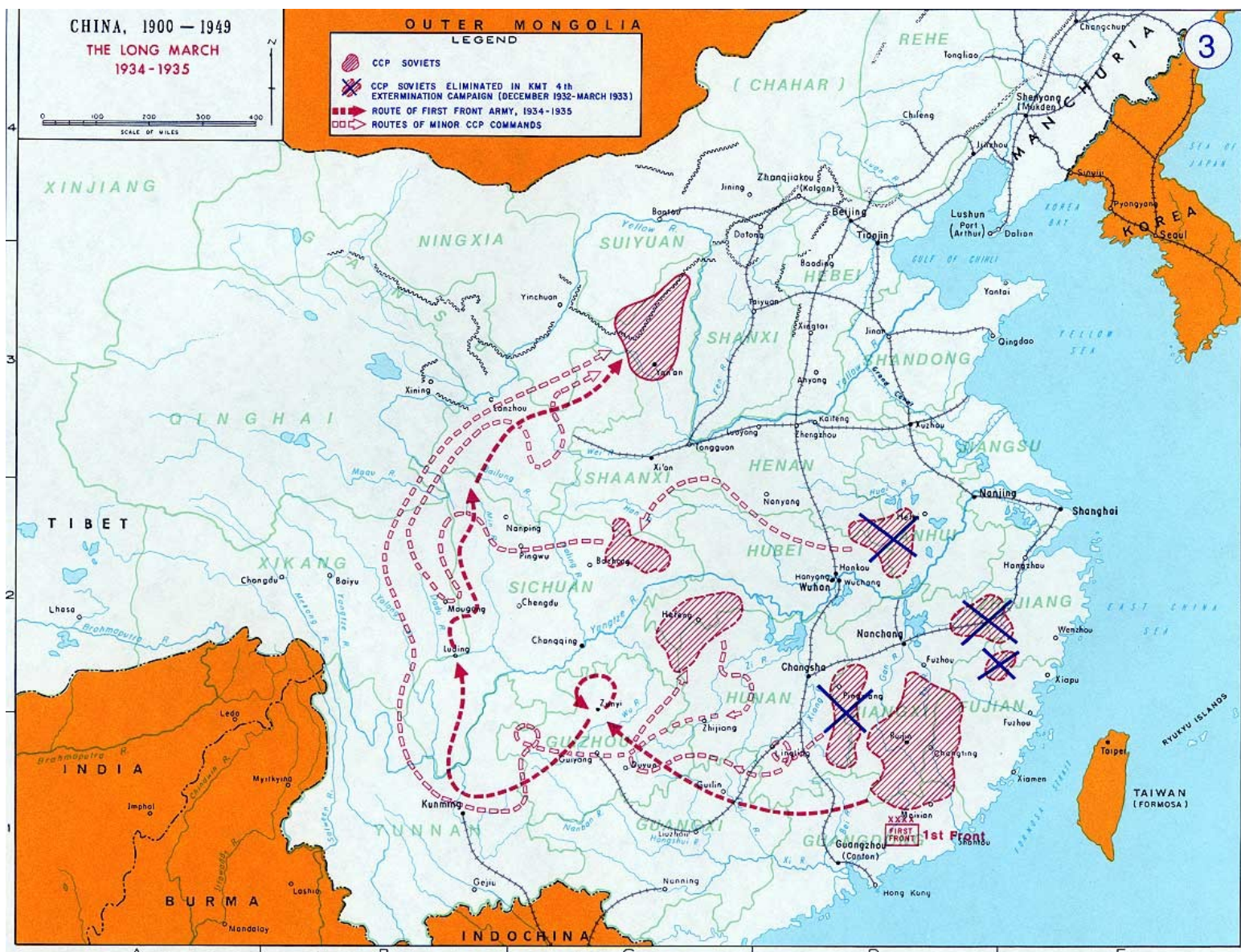
“Chiang’s realm included the commercial and banking cities of Shanghai, Ningbo, and Nanking. His support from the financial leaders of these cities would not suffer from the factional rivalry and jealousy that afflicted his military base. In fact, the capitalists were given no role in the KMT and the party remained anticapitalist. Throughout his career, Chiang Kai-shek would tightly control the various organizations of bankers and merchants in these cities, milking them of funds when necessary with the unacknowledged help of Du Yuesheng’s gang through such means as threats, destruction of property, and even kidnapping. For the next ten years Chiang would also obtain large funds from taxes on the growth and consumption of opium, part of a control system officially intended to gradually reduce use of the drug – and a system in which Du Yuesheng [“Big Ears” Tu] would play an official part.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 69-70



巡定保赴時役戰城長年二十二國民於公蔣 統總先
影合後宜機示請公蔣 向元哲宋長軍軍九十二，視

Generalissimo Chiang Kai-shek and friends during the early 1920s



A map displaying Mao's Long March (1934-1935)



Soong Family & Relatives. Front row: Soong Ai-ling (first from right), Ni Gui Zhen (second from right), Soong Mei-ling (third from right). Back row: Soong Zi An [T.A. Soong] (first from right), H.H. Kung (second from right), Chiang Kai-shek (third from right), Soong Zi Liang [T.L. Soong] (fourth from right). (Photo: <http://english.cwi.org.cn/album/02.htm>)



Generalissimo Chiang Kai-shek (left) sits with his brother-in-law T.V. Soong (宋子文) in his study in mainland China in June 1946. (Photo: George Silk/Time Life)

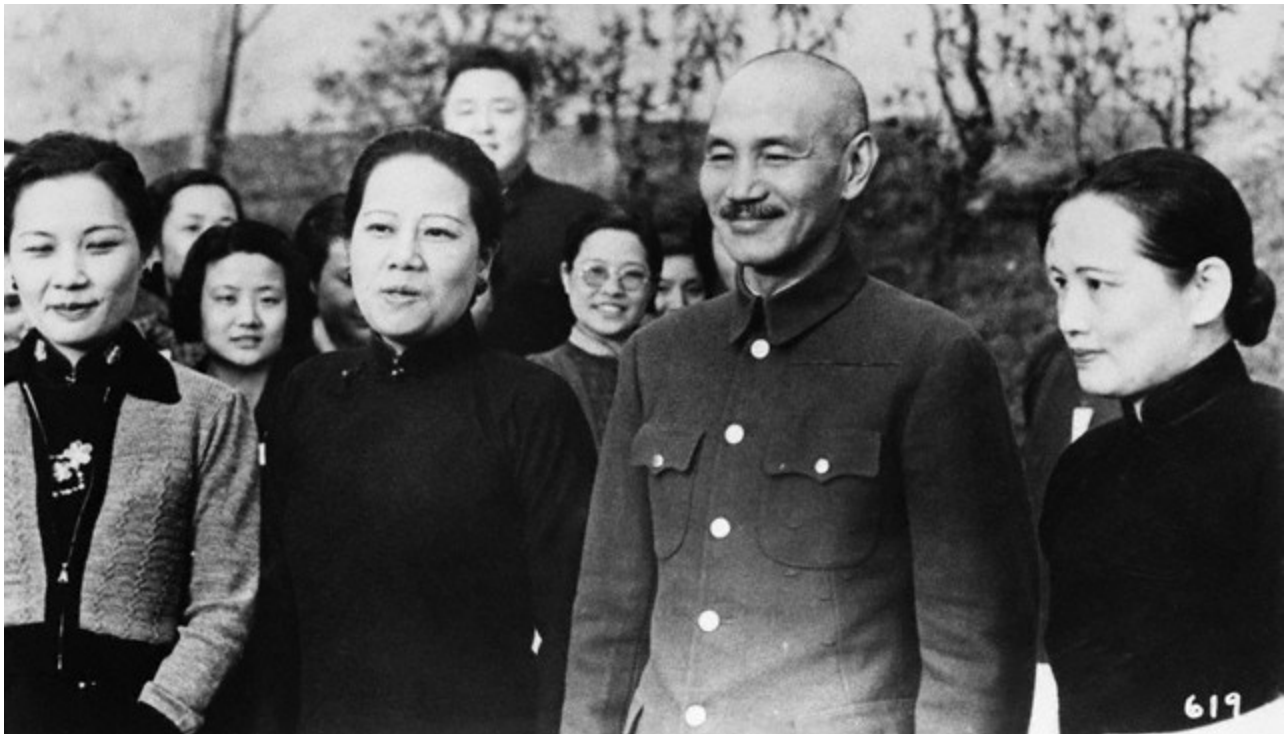
“T.V. [Soong] was frenetically busy wheeling and dealing in oil stocks, commodity futures, and new technology. He energetically pursued the reputation he was earning as the “richest man in the world.” He dropped in on Averell Harriman now and then, either in Washington or at Harriman’s cottage at Sands Point, to chat about the Sino-Soviet dispute and check the Washington mood. He hardly saw Henry Luce, though they exchanged letters now and then, and sent each other cordial invitations that they failed to accept. The Luce were close to May-ling, and this precluded seeing T.V. His real friends were his powerful financial contacts in Singapore, Hong Kong, Tokyo, and London, and the directors of the banks he controlled.”

– *The Soong Dynasty* by Sterling Seagrave, p. 453



The First Couple and Ching-kuo (*second row, right*), ca. 1946, with Premier T. V. Soong (*first row, right*), who would resign in 1947 as the national currency entered its death spiral. Courtesy KMT Party History Institute.

(Source: *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor)



Generalissimo Chiang Kai-shek and the Soong Sisters stand together for a group portrait in Chungking, China on March 3, 1942. From left to right: Madame Chiang Kai-shek (Soong Mei-ling), Madame H.H. Kung (Soong Ai-ling), Generalissimo Chiang Kai-shek, and Madame Sun Yat-sen (Soong Ching-ling). (© Bettmann/CORBIS)

shows him looking as people often described him, like an angry banker who has caught a teller embezzling—his face ferocious, his hair close cut, his chin clean-shaven, for he had not yet adopted the Stalin mustache that he eventually grew in China.

He was born on July 9, 1884, in the village of Yanovich, in Vitebsk Province, which became the Byelorussian S.S.R. His parents were Jews. A private man, not only as a secret agent, Borodin was reticent about details of his life. In answer to probes, he would answer only "I was born in the snow and lived in the sun."

As a brawny adolescent, he had worked floating logs down the ice jams of the Dvina River to Riga, Latvia, which may have accounted for some of his scars. His native tongue was Yiddish, and by the time he was sixteen he was showing his conspiratorial genius as a smuggler for the Jewish Bund on the Riga waterfront. But at age nineteen, he broke away to join Lenin in St. Petersburg. It was 1903.

Lenin found uses for the young man's underworld connections in Latvia, a region where the Communists had few contacts. The following year, Lenin sent him to Switzerland on a political mission, but news of the 1905 massacre of demonstrators at the Winter Palace brought him hurrying back to Russia. He was then assigned as Lenin's principal revolutionary agent in Riga. His star was rising. When he was sent to Stockholm in 1906 for a meeting of the Russian Social Democratic Labor party, he sat next to Stalin, who was impressed to find the tough Latvian voting with him on most key issues.

That July he was arrested by Czarist police, who generously offered him a choice between exile in Siberia or in the West. Borodin happily left for London. But, after a brush with Scotland Yard, he went on to Chicago, which was then a hotbed of American socialism. Borodin felt at home there, and married Fanya Orluk, a sweet-natured but tough Lithuanian immigrant. In 1908, he also began studying at Indiana's Valparaiso University.

In the Chicago slums he found justification for the proletarian revolution. He began to work there teaching English to immigrants at Hull House, the sprawling Jane Addams settlement house, which provided educational and social services for the big immigrant community. As a sideline, Borodin opened his own English-language school in Chicago's Russian-Jewish ghetto, and by 1914 was the director of the Progressive Preparatory School, a fixture of life in the Near Northside. Throughout these years of exile, he remained in close contact with the leaders of the

Bolshevik movement in Europe and Russia, serving as their agent-in-place in Chicago, and in 1918 they sent for him.

Back once more in Moscow, he was taken immediately to Lenin, who presented Borodin with a letter for American workers. In mid-September 1918, Borodin dutifully left for the United States by way of Petrograd's Finland Station, and was passing through Scandinavia when his orders were suddenly changed. He was to remain on the Baltic, gathering intelligence and pipelining funds for the revolution.

One of his contacts was the American poet Carl Sandburg, on assignment in Europe for the Newspaper Enterprise Association. Sandburg's strong socialist sympathies had caused trouble for him in America, and he had been able to obtain a passport to travel abroad only with the greatest of difficulty. As a result, he was trying to avoid radical friends, such as fellow journalist John Reed. Nevertheless Borodin prevailed upon him to take home a bundle of Bolshevik pamphlets, books, and newspapers for circulation in America. Sandburg also agreed to pigeon a check for \$10,000 to Fanya in Chicago for distribution to Bolshevik agents, plus 400 Swedish kronor for Fanya herself. Suddenly, Sandburg got cold feet and rushed to the American embassy in Oslo, where he informed on Borodin and turned over the check. For some reason, he did not mention the pamphlets and books, and when he disembarked in New York an official search committee confiscated the Soviet literature. Through all this, Sandburg hung on to the 400 kronor for Fanya, and saw the money safely into her hands.

In 1920, Lenin appointed Borodin Soviet consul in Mexico City. When he left for Mexico, on a roundabout route via the Caribbean and New York, Borodin's baggage included a suitcase with a hidden compartment concealing a fortune in Czarist jewels to be sold in the United States to provide operating funds for Russian agents.

Arriving in Santo Domingo, he decided that it would be too risky for him to take the jewels through American Customs himself and decided to go directly to Mexico. He left the rigged suitcase in the care of an unwitting Austrian whom he had met on the crossing, exacting a promise that the Austrian would take the bag through U.S. Customs and deliver it to Fanya.

At his post in Mexico City, Borodin learned from Fanya that the jewels had never reached her. He sent an agent to Santo Domingo; the agent vanished. A second agent tracked the Austrian and the suitcase to Haiti. The hidden compartment was found empty, and the Austrian

could establish control in Central China—a place such as Hankow—with a second base in Mongolia, backed by the Soviets, he would be able to deal firmly with the foreign powers. Mongolia, with Russia at its rear, would put him within striking range of Peking. Until then, Borodin agreed that a supply line by sea could be arranged. Under the pretense of Russian trade for Cantonese timber, rice, and beans, military supplies could be brought secretly from Siberian ports.

In these conversations, Borodin discovered Sun to be as Lenin had characterized him—naïve. To the Russian agent, hardened by years of intrigue, Sun was merely “an enlightened little satrap” who saw himself as “the hero” and everyone else as “the mob.”

However, Dr. Sun's vanity would not be the source of Borodin's headaches. They would come, instead, from Chiang Kai-shek.

Chiang had begun to show interest in the Soviet Union in 1920, probably at the instigation of Big-eared Tu and Curio Chang. He toyed half-heartedly with the Russian language, and once wrote to Dr. Sun that he thought Soviet policy was sound in concentrating on internal security before external resistance.

Security meant discipline, which was something that interested Chiang a great deal. In China Chiang believed, it was impossible to get results because of lack of discipline, lack of security, and lack of organization; repeatedly, over the years, Chiang had given up assignments because his comrades failed to enforce discipline or execute orders with precision. He had refused to join the Canton government until he was offered enough authority to command obedience.

Soviet discipline was the responsibility of the Bolshevik organ of state security, then called the Cheka. The Cheka worked in harness with the Red Army to enforce party rule throughout the Soviet Union, to put down White Russian resistance and other reactionary or ideological deviationism, and to silence all voices of dissent. Together the Red Army, headed by Leon Trotsky, and the Cheka, directed by Feliks Dzerzhinsky, co-authored the Red Terror.

During the Terror, Cheka agents shot, drowned, bayoneted, and beat to death approximately 500,000 people, whose murders were authorized in one manner or another by the party. “We stand for organized terror,” Dzerzhinsky proclaimed in 1918. “The Cheka is not a court. . . . The Cheka is obliged to defend the Revolution and conquer the enemy even if its sword does by chance sometimes fall upon the

heads of the innocent.” His words were reinforced by Lenin, scornfully turning aside party idealists. “The energy and mass nature of terror must be encouraged,” Lenin retorted. He sent telegrams to Cheka executioners, urging them to use “merciless mass terror.”

Chiang was certainly aware of this because the Red Terror was widely reported in the world press, and Shanghai was a haven for fleeing White Russians who attested to horrific details.

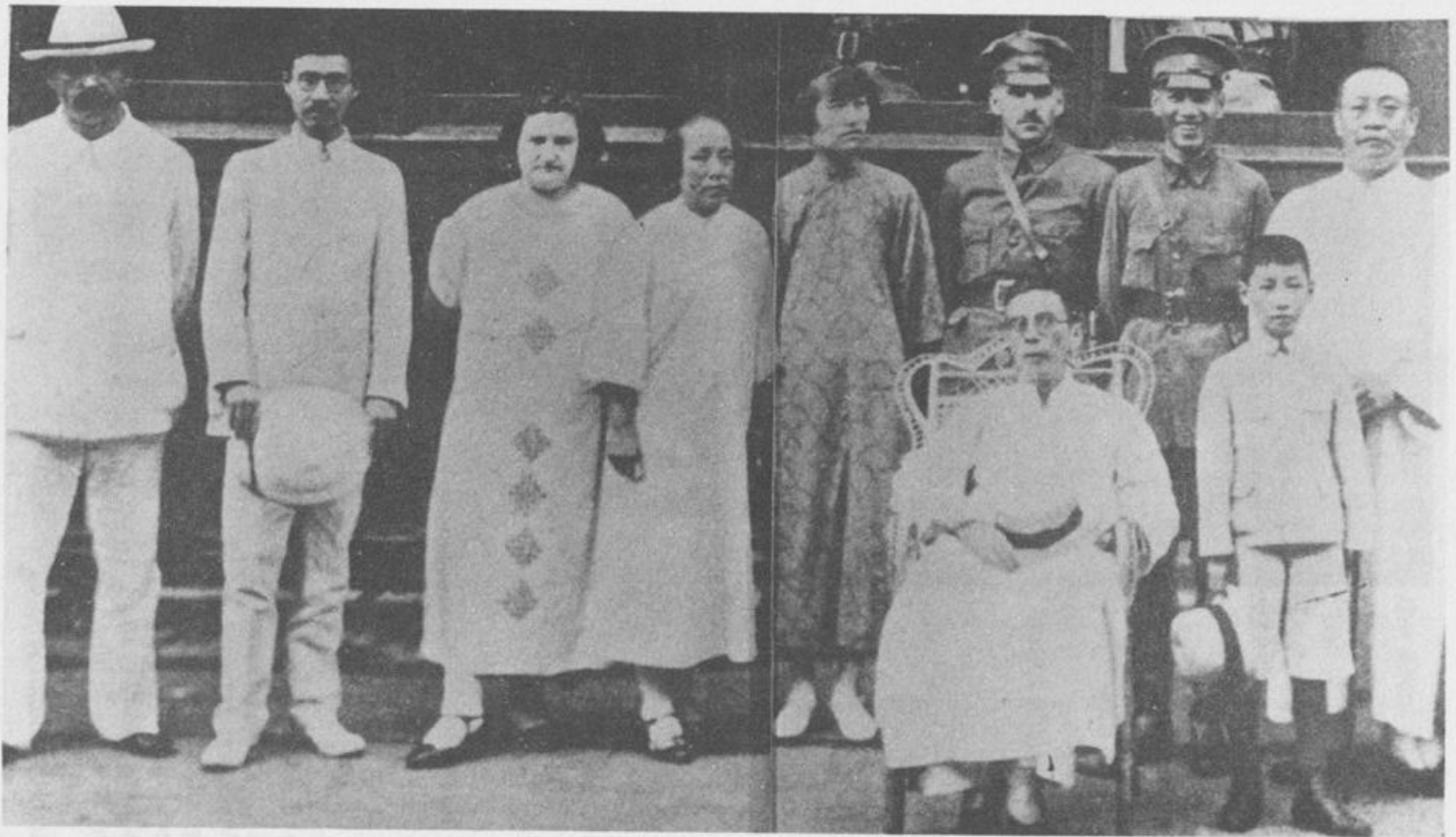
Nevertheless, after badgering Dr. Sun to send him to Moscow and finally getting his way in August, 1923, there was something urgent and unrealistic about his expectation. He even boasted to friends before he left that he had toyed with the notion of staying in Russia “five or ten years”—although in retrospect this may have been said to make himself seem extravagantly liberal. He was disillusioned almost immediately by the discovery that Russia was an alien place.

The utter drabness, the dejection of the countryside, the terrible tedium of proletarian Moscow had all been made to seem glorious in propaganda renderings. After so many years in self-indulgent Shanghai, it is no wonder that Chiang felt out of place. He may also have sensed the traditional fear and hatred of Muscovites for Orientals.

Politically, if not personally, his visit was a success for the KMT. Soon after arriving in Moscow, on September 2, 1923, he addressed the executive committee of the Comintern, saying he was confident that the Chinese revolution would succeed within two or three years. He heard Chinese Communists in Moscow slandering Sun Yat-sen and his party, so Chiang insisted that the Comintern did not understand the revolutionary movement in China, and he urged it to send more agents to study the situation firsthand.

He inspected Red Army units, visited military schools and party organizations, toured the Kronstadt naval base near Petrograd, noting that the Soviet navy was still marked by the harsh suppression of a revolt by the sailors against the Bolsheviks two years earlier. He evidently spent most of his time with the Cheka, learning their methods.

While Chiang was in Moscow, Lenin was in the deep coma that preceded his death. Chiang had many long conversations instead with Trotsky, who assured him that Russia's role was to provide the maximum moral and material aid to liberation movements, but that she would never interfere in another nation's politics by sending in Soviet troops. Chiang also met Kamenev, Zinoviev, Radek, and Chicherin, and observed the growing power struggle between Trotsky and Stalin.



Masking their intense political rivalries, leaders of the revolutionary Right and Left pose before a train at the start of the Northern Expedition. From far left, the Russian agent Mikhail Borodin, a Chinese secretary, Borodin's wife Fanya, Madame Liao Chung-k'ai, the second Madame Chiang Kai-shek (apparently enceinte), Moscow's General Galen, Chiang Kai-shek himself, his son Wei-kuo, and Rightist Tai Ch'i-tao. Seated is Chiang's "evil genius," the crippled millionaire Chang Ching-chang. (*Asia Magazine*)

Chinese Generalissimo Chiang Kai-shek (standing, second from right) appears with Soviet Russian Jewish agent Mikhail Borodin at the start of the Northern Expedition in 1926. Mikhail Borodin's real name was Mikhail Markovich Grusenberg. Mikhail Borodin lived in Chicago for several years in the early 1900s before returning to Russia to participate in the Bolshevik Revolution. Mikhail Borodin fled China and escaped to Mongolia in July 1927 following the Shanghai Massacre that occurred on April 12, 1927. Generalissimo Chiang Kai-shek visited the Soviet Union once during the early 1920s. (Source: *The Soong Dynasty* by Sterling Seagrave)

"Dr. Sun's [Sun Yat-sen] visitor was Mikhail Markovich Grusenberg. Borodin was an alias. He was sent to Canton by Lenin to be the chief Comintern agent in China. He was to reorganize Dr. Sun's Kuomintang into a centralized, Leninist-style organization, and to finance, train, and equip a powerful KMT army that would radically alter the balance of power in China. Borodin had extraordinary presence, one reason for the success he had already achieved with the Bolsheviks."

– *The Soong Dynasty* by Sterling Seagrave, p. 175

"The following year, Chiang [Kai-shek] graduated from the Shimbu Gakko and began field training with the Japanese Army. In 1910, he participated in the gang slaying of a man described in the Shanghai police records as "a prominent Chinese resident of the Settlement." **Chiang's police record in the British-administered International Settlement grew over the years to include murder, extortion, numerous armed robberies, and assorted other crimes. He was indicted on all the listed charges, but was never brought to trial, or jailed.** In the summer of 1911, Chiang helped set up another Shanghai assassination, and was just resuming his duties with the Japanese 19th Field Artillery Regiment when news came of the successful October 10 uprising. Chiang immediately rushed home and was commissioned by Ch'en Ch'i-mei to command the "83rd Brigade," a band of 3,000 Green Gang gunmen turned over to the revolutionaries by Pockmarked Huang."

– *The Soong Dynasty* by Sterling Seagrave, p. 156



Black Dragon Society chief Mitsuru Toyama (left) sits beside Chinese Generalissimo Chiang Kai-shek in 1927. The Black Dragon Society was a prominent Japanese secret society. Chiang Kai-shek served as an officer in the Imperial Japanese Army from 1910 until his desertion in 1911, when the Manchurian Empire was overthrown. Chiang Kai-shek allegedly had ties with the Black Dragon Society as well as the Green Gang in Shanghai. (Photo: <http://www.toyamamitsuru.jp/syashin/index.html>)



Mitsuru Toyama (頭山 満, left), chief of the Black Dragon Society (黒龍会, Kokuryukai), appears with future Prime Minister of Japan Tsuyoshi Inukai (犬養 毅, center), future President of Republic of China Chiang Kai-shek (蔣中正 / 蔣介石, second from right), and other dignitaries in 1929. Prime Minister of Japan Tsuyoshi Inukai was assassinated on May 15, 1932. (Photo: <http://www.toyamamitsuru.jp/syashin/index.html>)

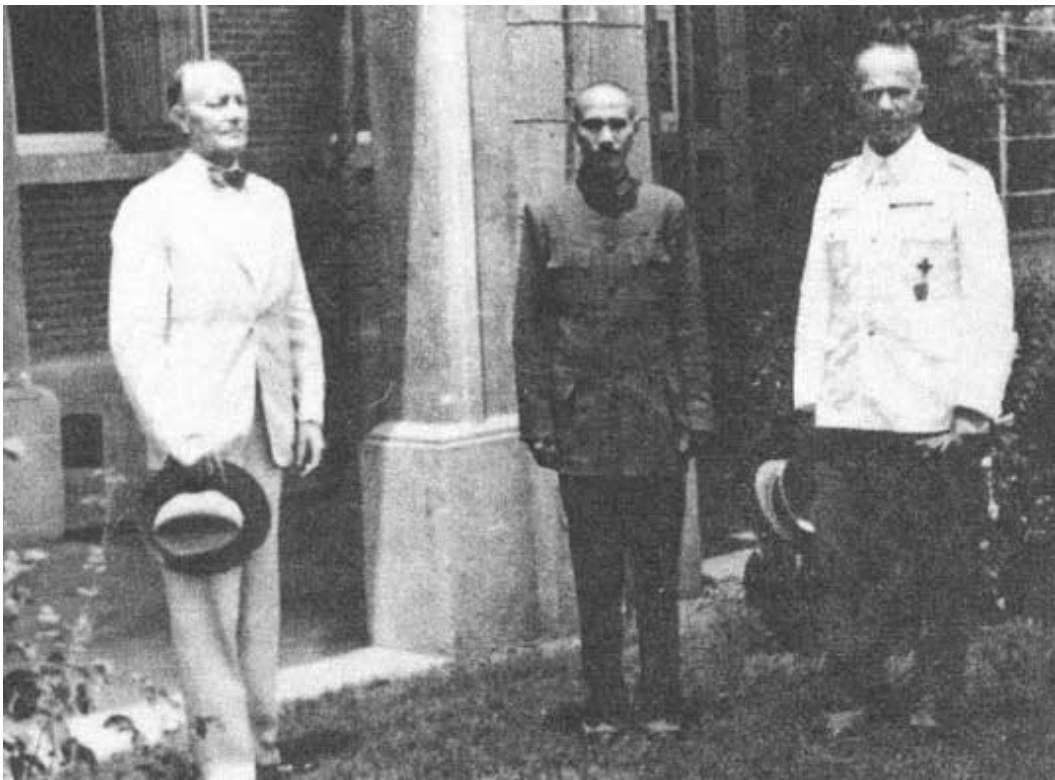
Nazi German-Nationalist Chinese Military “Alliance”



Nazi Germany's dictator Adolf Hitler stand on a patio with Kung Hsiang-hsi [H.H. Kung] (孔祥熙), Nationalist China's Minister of Finance (1933-1944) and Governor of the Central Bank of China (1933-1945), during Kung's visit to Berchtesgaden, Germany in 1937. H.H. Kung earned a Bachelor of Arts degree at Oberlin College in 1906 and a Master of Arts degree at Yale University in 1907. H.H. Kung was married to Soong Ai-ling, the sister of Madame Chiang Kai-shek (Soong Mei-ling). Nazi German officers trained Generalissimo Chiang Kai-shek's army during the 1930s; Generalissimo Chiang Kai-shek's adopted son Chiang Wei-kuo served in the Wehrmacht and participated in the Anschluss. (Time Life photo)



Nationalist Chinese quisling Wang Jingwei (center) shares a toast with a group of Nazi German envoys in 1941.



Generalissimo Chiang Kai-shek (center) appears with Nazi German envoy Hans Klein (left) and Nazi German army officer Major General (later Field Marshal) Walther von Reichenau (right) in Nanking, China in 1936. Field Marshal Walther von Reichenau served as the Commander the 6th Army during the Nazi German invasion of Soviet Union in 1941; Field Marshal Walther von Reichenau died on January 17, 1942. (Photo: http://ww2db.com/image.php?image_id=2106)



Nationalist Chinese Ambassador to Nazi Germany Chen Chieh (center) appears with Nazi German diplomat Conrad von Schubert at the Anhalter Bahnhof train station in Berlin in September 1938. (Photo: German Federal Archives)



Bundesarchiv, Bild 183-R27580
Foto: o. Ang., 1. 1953



Germany Army General Alexander von Falkenhausen (left) served as the Military Adviser to Generalissimo Chiang Kai-shek in China from April 1934 to July 1938. Alexander von Falkenhausen served as the Military Commander of Belgium-Northern France from May 22, 1940 until July 15, 1944. Alexander von Falkenhausen was arrested for insubordination and suspected involvement in the assassination of Adolf Hitler in July 1944 and was detained in various concentration camps, including Dachau, until the end of World War II. Alexander von Falkenhausen was tried in Belgium in 1950 and was acquitted in court; he spent the rest of his life in Bonn, West Germany. A Chinese woman living in Belgium named Qian Xiuling successfully persuaded Alexander von Falkenhausen on two separate occasions during World War II to spare the lives of Belgian civilians, and Qian Xiuling testified on von Falkenhausen's behalf during his trial in Belgium in 1950.

Japanese Army General Yasuji Okamura (岡村 寧次, right) was the Commander-in-Chief of the China Expeditionary Army during the latter half of World War II. General Okamura was convicted of war crimes at a tribunal in Nanking, China in 1948 but was spared by Generalissimo Chiang Kai-shek. General Okamura served as a "drill master" in the Nationalist Chinese army for a short time while living on the island of Taiwan.

"Addressing a huge crowd in Nanking on Double Ten Day (October 10), 1936, Chiang [Kai-shek] declared, "The remnant Communists are now encompassed in a few scattered regions and can be exterminated without much difficulty. At present, communism is no longer a real menace to China." After his speech, Chiang stood and saluted as spit-and-polish military units marched by in goose step followed by row after row of powerful German weapons. Thanks to German machine tools, Chinese arsenals were now capable of producing some weapons of quality and precision. Even so, the new German adviser, Alexander von Falkenhausen, believed that China needed two more years to reach his goal of sixty well-trained, modern divisions. New German heavy coastal guns, a dozen submarines, a German cruiser, torpedo boats, and other warships were not due to be delivered before 1938. The Luftwaffe had taken over training the Chinese air force, and if things went according to plan, Chinese pilots by 1939 would be flying modern Messerschmitts and Stukas, marking a profound change in the balance of power between China and Japan."

– *The Generalissimo: Chiang Kai-shek and the Struggle for Modern China* by Jay Taylor, p. 120-121

"Chiang's obsessive mistrust of the American agenda was further fueled when the new U.S. Military Assistance and Advisory Group (MAAG) arrived on the island and its commander, [Major] General William C. Chase, early on complained of a number of practices. Chase criticized the "Soviet-style" commissars in the Nationalist military and he was flabbergasted at the presence of Japanese advisers called "drill masters," among them General [Yasuji] Okamura, one of the succession of Japanese commanders in China who had implemented the "kill all" liquidation campaigns. In all, seventy-six former Imperial [Japanese] officers eventually wound up in Taiwan, some staying until 1969."

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 452



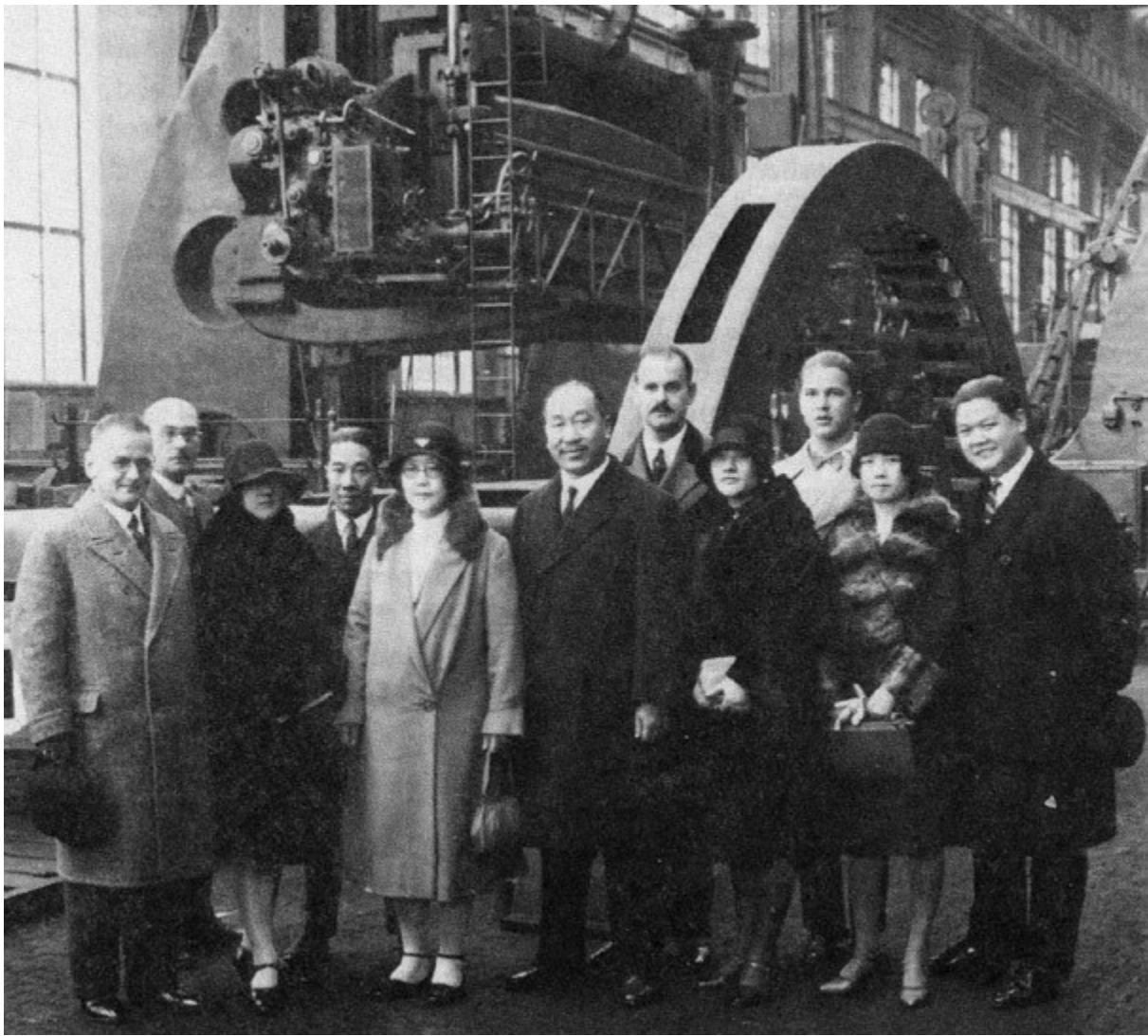
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Foto: o. Ang. | 1935 ca.

A group of Sturmabteilung (SA) stormtroopers and Hitlerjugend (Hitler Youth) march in a parade outside Shanghai in circa 1935. (Photo: German Federal Archives)



Bundesarchiv, Bild 137-040297
Foto: o. Ang. | 1935

A Hitlerjugend (Hitler Youth) member plays the bugle in mainland China in 1935. (Photo: German Federal Archives)



Chinese Minister Chiang Tso-pin (center) and entourage visit a German factory in 1928.



過扎實的軍官教育洗禮後，蔣緯國獲頒陸軍少尉軍階，時與班主任合影。

Chiang Wei-kuo (left), the adopted son of Generalissimo Chiang Kai-shek, served as a commander of a panzer division during the Anschluss in March 1938.



Rich, jovial Finance Minister H. H. Kung provided the levers of power manipulated by his intense, secretive wife Ai-ling Soong. Here they are seen with Generalissimo Chiang, whose marriage to younger sister May-ling they arranged. (*National Archives*)

Generalissimo Chiang Kai-shek, President of the Republic of China [Nationalist China], appears with his brother-in-law H.H. Kung, the Finance Minister of the Republic of China, and his sister-in-law Soong Ai-ling [Madame H.H. Kung]. (Source: *The Soong Dynasty* by Sterling Seagrave)

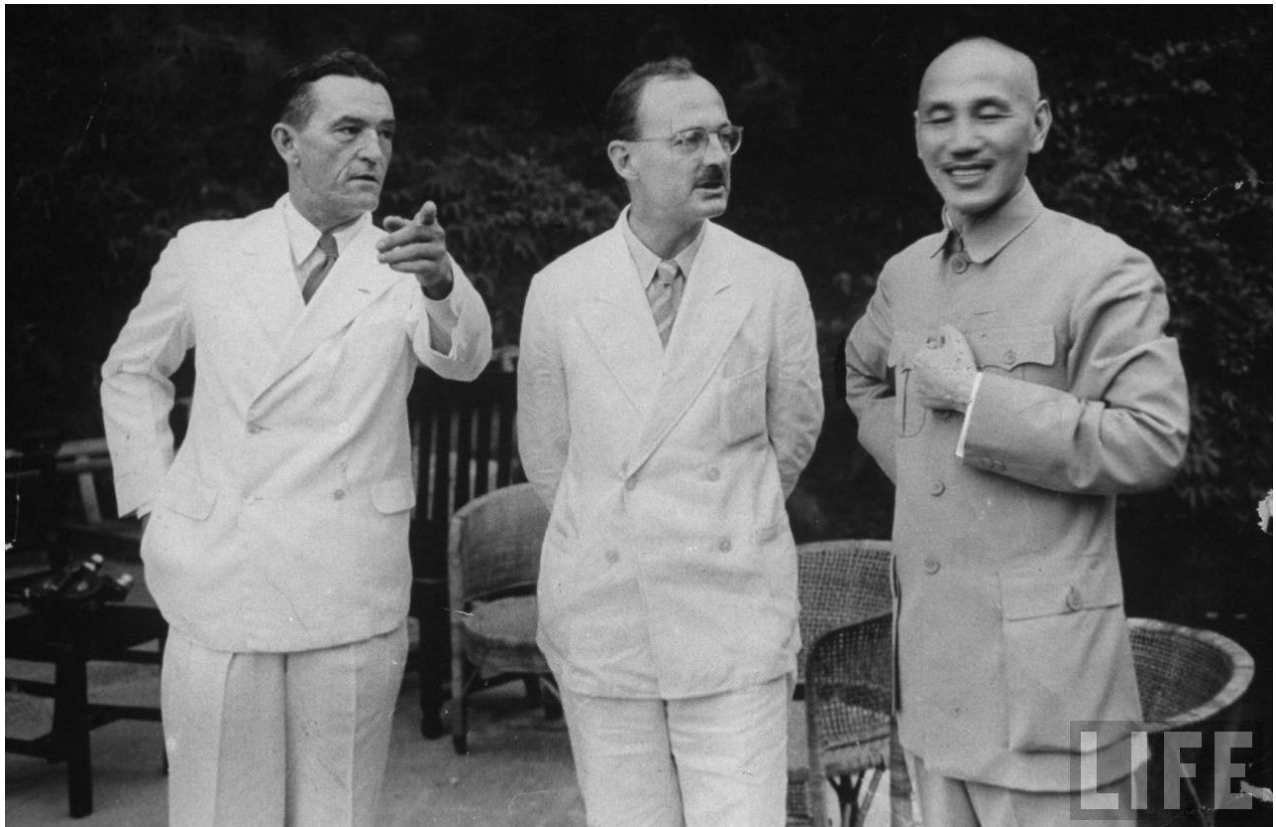
“Both of these secret police organizations were supplemented by Chiang’s Blue Shirts. Although it was a replica of the European fascist cults, the Blue Shirts also emulated Japan’s dread Black Dragon Society, the most militant secret cult of the Imperial Army. The Blue Shirts’ job was to reform China the hard way, by knocking heads together, carrying out political assassinations, liquidating corrupt bureaucrats and “enemies of the state.” Its members numbered 10,000... They were officered by old Green Gang classmates from Whampoa. All of the powerful cliques in the Nanking regime were represented in the Blue Shirts’ membership... Finally, among the Blue Shirts were professional killers who owed loyalty not to the party or the army, but to Tai Li and Big-eared Tu. Chiang [Kai-shek] made them all take part in the ceremony of blood brotherhood, pricking hands and mingling chromosomes.” – *The Soong Dynasty* by Sterling Seagrave, p. 294

“Chiang’s fascination with Hitler resulted in the creation of a new secret society modeled on Hitler’s Brown Shirts and Mussolini’s Black Shirts. Chiang called his the Blue Shirts, though he denied their existence repeatedly. They were an offshoot of his two secret services, the party Gestapo under the Ch’en brothers, and the military secret police under Tai Li. Chiang came to depend heavily on the two nephews of his Green Gang mentor, the assassinated revolutionary hero Ch’en Ch’i-mei.” – *The Soong Dynasty* by Sterling Seagrave, p. 292-293

Republic of China & World War II (1941-1945)



Statesmen and diplomats stand together for a portrait at the Cairo Conference in 1943. Seated from left to right: Chiang Kai-shek, Franklin D. Roosevelt, Winston Churchill, and Madame Chiang Kai-shek. Standing from left to right: Sir Alexander Cadogan, Anthony Eden, Laurence Steinhardt (in hat), John G. Winant, Harold Macmillan, Dr. Wang Chung-hui, R.G. Casey, Lord Killearn, Major Desmond Morton, American Ambassador to Soviet Union W. Averell Harriman, Lewis W. Douglas, Lord Leathers, John McCloy, and Harry Hopkins.
(Source: *Special Envoy to Churchill and Stalin 1941-1946* by W. Averell Harriman and Elie Abel)



Claire L. Chennault (left) and Professor Owen Lattimore (center) meet with Generalissimo Chiang Kai-shek at Chiang Kai-shek's home in Chungking, China in February 1941. (Photo by Carl Mydans/Time Life)



T. V. Soong and U.S. Secretary of the Treasury Henry Morgenthau sign a \$50 million loan agreement between the United States and Nationalist China, January 1942.

Nationalist China's Foreign Minister T.V. Soong (left) sign a \$50 million loan agreement in the presence of U.S. Treasury Secretary Henry Morgenthau Jr. in January 1942.



Nationalist China's Foreign Minister T.V. Soong (L) and Cordell Hull, sign a lend-lease agreement between the United States and Nationalist China in 1942. (Photo: Myron Davis/Time Life)



With the outbreak of the Pacific War (World War II) in December 1941, Generalissimo Chiang Kai-shek appointed T.V. Soong as Minister of Foreign Affairs. Pictured seated: U. S. president Franklin Roosevelt (right), U.K. Prime Minister Winston Churchill (left); standing: Canadian Prime Minister Mackenzie King (third from the right), T.V. Soong and Philippines President Manuel Quezon (far right). (Photo: [Vanderbilt University Library](#))



Madame Chiang Kai-shek (Soong May-ling) meets with U.S. President Franklin D. Roosevelt at the Union Station train station in Washington, D.C., U.S.A. in 1943. (Photo: [Vanderbilt University Library](#))



Generalissimo Chiang Kai-shek (left) and his Madame Chiang Kai-shek (right) greet Mahatma Gandhi near Calcutta, India on February 18, 1942. (Photo: <http://thegeneralissimo.net/photos.htm>)



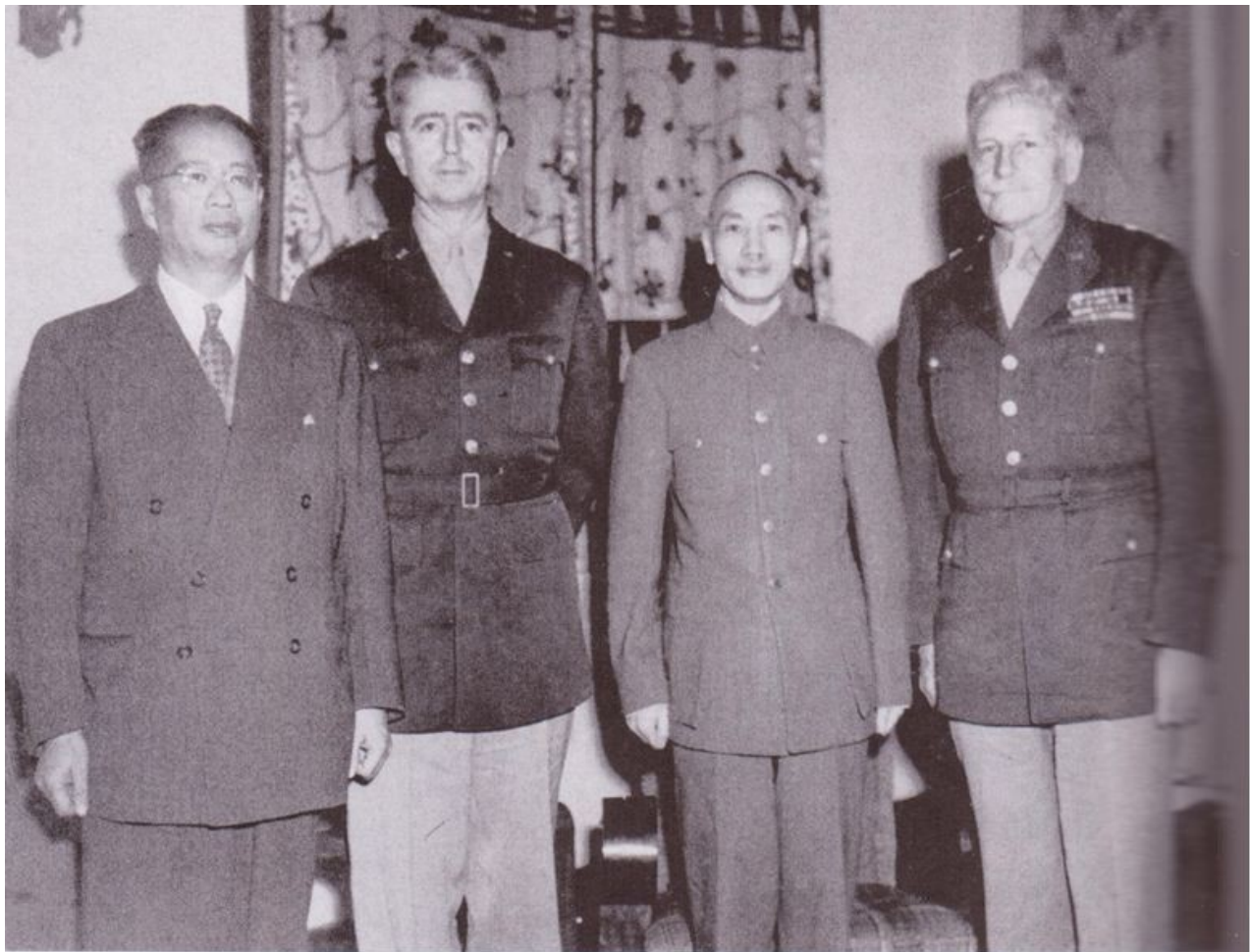
Madame Chiang Kai-shek (Soong May-ling) addresses the U.S. Congress inside the House chamber on February 18, 1943 to call for American backing of Nationalist China in the war against Japan. Congresswoman Clare Boothe Luce, the wife of Time magazine editor-in-chief Henry R. Luce, is seated in the front row (right, legs crossed). (Photo: [Vanderbilt University Library](http://vanderbiltuniversitylibrary.org))



Allied leaders sit together for a portrait at the Cairo Conference in 1943. Seated from left to right: Generalissimo Chiang Kai-shek, U.S. President Franklin D. Roosevelt, Britain's Prime Minister Winston Churchill, and Madame Chiang Kai-shek (who served as her husband's interpreter). Back row from left to right: General Chang Chen (China), General Ling Wei (China), U.S. Army General Brehon Burke Somervell, Joe Stilwell, U.S. Army Air Force General Hap Arnold, British Field Marshal Sir John Dill, British Admiral Lord Louis Mountbatten, and British Major General Carton de Wiart, Viscount. Decisions made at this summit were quickly abandoned after the meeting with Soviet dictator Joe Stalin in Teheran, Iran a few days later. General Joe Stilwell once ordered his subordinate officer to create plans for assassinating Generalissimo Chiang Kai-shek during World War II. (U.S. Naval Institute Photo Archive) <http://www.honorable survivor.com/photosChina1.asp>



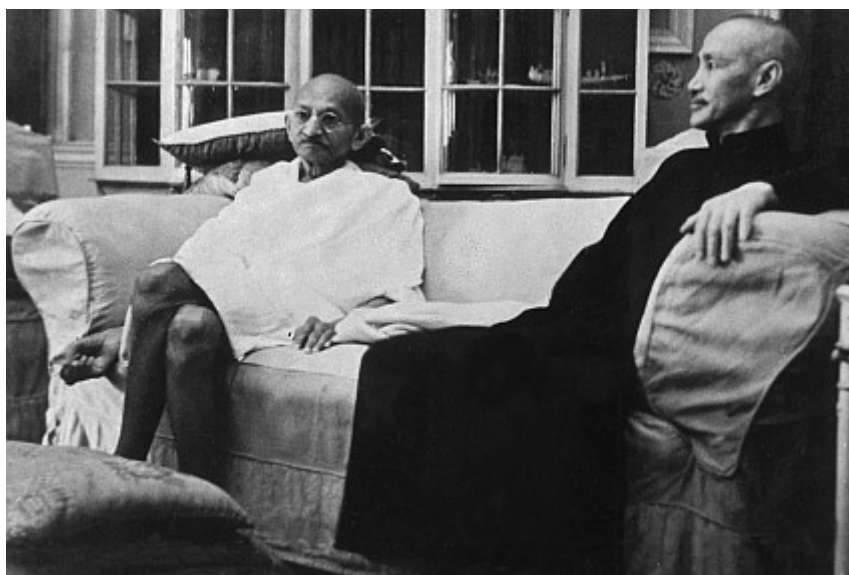
Generalissimo Chiang Kai-shek, the President of the Republic of China, and his wife Madame Chiang Kai-shek visit India's patriot and independence activist Mahatma Gandhi (center) near Calcutta, India on February 18, 1942. Chiang met with Gandhi to ensure that Gandhi would not disrupt China's supply line with India during World War II and to informally support the independence of India after World War II.



T. V. Soong, General Albert C. Wedemeyer, Chiang Kai-shek, and General Patrick J. Hurley. Wedemeyer became a lifelong friend, and Hurley became ambassador to China for a brief period.

Generalissimo Chiang Kai-shek appears with T.V. Soong (left), U.S. Army General Albert C. Wedemeyer (second from left), and U.S. Army General Patrick J. Hurley (right).

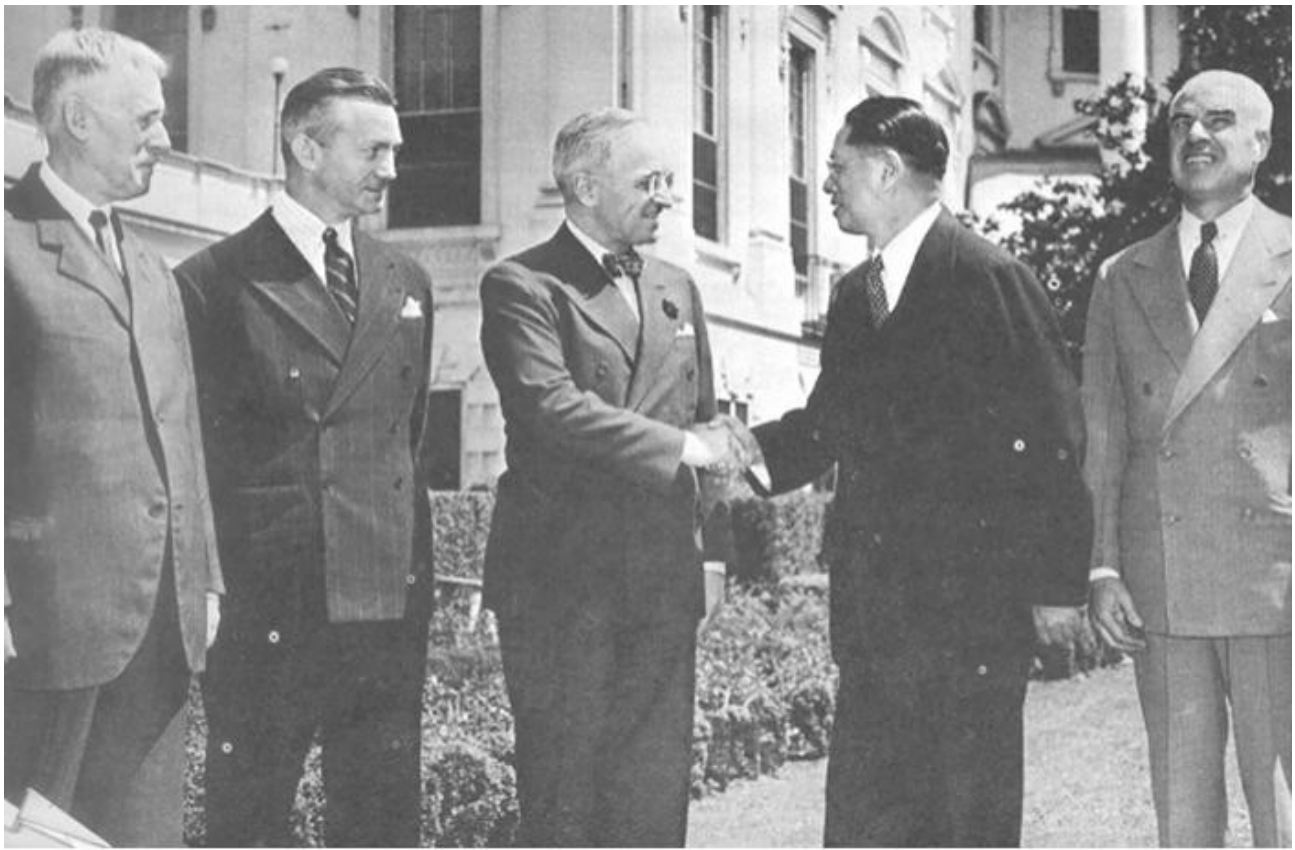
(Source: *The Last Empress: Madame Chiang Kai-shek and the Birth of Modern China* by Hannah Pakula)



Chiang Kai-shek (right) visits India's political leader Mahatma Gandhi in Calcutta, British India in 1942.



U.S. Vice President Henry A. Wallace receives flowers from Chinese delegates during his visit to the Republic of China in 1944.
(<http://www.japanfocus.org/-Brantly-Womack/2636>)



President Harry S. Truman greets T.V. Soong, the Foreign Minister of the Republic of China. From left to right: Secretary of War Henry L. Stimson, Secretary of the Navy James V. Forrestal, Truman, Soong, and Secretary of State Edward R. Stettinius Jr. Stimson, Forrestal, and Stettinius were members of the Council on Foreign Relations. Henry L. Stimson was a member of Skull & Bones at Yale University. T.V. Soong was a Harvard graduate and the brother of Soong Mei-ling (Madame Chiang Kai-shek). T.V. Soong, his sister Soong Ai-ling (Madame H.H. Kung), and his brother-in-law H.H. Kung fled to the United States of America at the end of 1949 when the Chinese Communists occupied mainland China.



Madame Chiang Kai-shek visits America's First Lady Eleanor Roosevelt (left) appear on the White House lawn in 1943. Madame Chiang Kai-shek spent most of her childhood in Macon, Georgia and graduated from Wellesley College in 1917. Other prominent Wellesley College alumni include Madeleine Albright (B.A. Wellesley 1959) and Hillary Rodham Clinton (B.A. Wellesley 1969).



Lord Louis Mountbatten (R) visits H. H. Kung in his office in China in 1943. (Photo by William Vandivert/Time Life)



Left to right: Dr. H.H. Kung, U.S. Secretary of State Edward R. Stettinius Jr., Lord Halifax, and Dr. Wellington Koo make their way to dinner in October 1944. (Photo by George Skadding/Time Life)



Chiang and the Soong sisters in Chungking, left to right: Mayling, Ai-ling, and Chingling. Mayling and her brother, T.V., remained close to Chingling despite her open political support for the Communists. When they learned at the end of the Long March that she had also secretly sent Mao a substantial sum of money, they apparently kept the matter secret. Courtesy KMT Party History Institute.

(Source: *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor)



Soong Ching-ling (left) shares a toast with U.S. Army General Joseph W. Stilwell in Chungking, China during World War II. Stilwell was the commander of the U.S. forces in the China-Burma-India Theater during World War II. (Photo: <http://english.cwi.org.cn/album/04.htm>)



Left to right: Generalissimo Chiang Kai-shek, Madame Chiang Kai-shek, and U.S. Army Lieutenant General Joseph W. Stilwell, the Commanding General of China Expeditionary Forces, laugh together in Burma on April 19, 1942, the day following the Doolittle Raid. (Photo by Fred L. Eldridge/Time Life)

Working With Chiang Kai Shek

Former CIA Director Allen Dulles took secret and illegal actions in attempting a negotiated peace with the Axis in World War II, against Roosevelt's orders. This idea was also frequently presented by Conservatives in Britain to the House of Lords and FDR, always being rejected by him. But, for Dulles, such a negotiated peace represented an opportunity to sneak all of his wealth out of the Axis countries into third countries more safely. Japanese-occupied Manchuria, which he was trying already to use as a haven for his wealth, would remain untouched by Allied forces if a negotiated peace could be obtained.

To achieve such a settlement, Dulles went to great lengths to bring several warring factions and parties into agreement. He may also have gone to great lengths to show "good will" to the various parties via such demonstrations as illegal oil shipments to the Axis. One party he enlisted as an ally in his schemes was Chiang Kai Shek of China.

Chiang was paranoid that his fellow officers would coopt him in his dealings with the Americans. He clearly didn't trust America to keep him in power. In the first half of 1944, we are told by Xiaoyuan Liu (234), Chiang had attempted to pressure the Roosevelt administration to support him diplomatically against Russia by citing border incidents between Kuomintang troops and Soviet troops along the long Sino-Soviet border. But FDR was reluctant to promise him such support. America desperately needed to keep the USSR on board as an ally against the Axis for at least a few more months.

But Chiang apparently didn't see it that way. And in America Far Right supporters of 1944 Republican Presidential candidate Thomas Dewey, including Dulles, undoubtedly saw this growing gap between Chiang and FDR as a political opportunity and tool in their efforts to negotiate with the Axis behind FDR's back.

Only a few days previous to James Forrestal's late July trips to Guam and Saipan, which are incidents that are reported by Tom Devine in **Eyewitness: The Amelia Earhart Incident** (CO: Renaissance, 1980), and referred to at length in my chapter "Disappearing Act: James Forrestal Under Surveillance", elsewhere on this Site and in my book **Tim, George Bush and Me: The Undercurrents In All Our Lives**, (go to [Disappearing Act: James Forrestal Under Surveillance](#)), Dulles and others at OSS and Standard Oil had learned, the OSS had airdropped some rounds of ammo to Mao tse-Tung, says R. Harris Smith (265). Mao had proven to be a tough opponent of the Japanese in China, much more successful against them than Chiang's forces--which, in fact, were shot through with Japanese spies and sympathizers. Not only this, Chiang's top general, Tai Li, greatly admired Heinrich Himmler, publicly admitting he was his role model (Smith 245).

For someone supposedly on our side, Tai Li was certainly back and forth about fighting the Japanese.(Smith 245-9). When the British, before the Japanese declaration of war on America, had sent a group of officers to advise him and clear his high command of Japanese spies and sympathizers, Tai Li had locked the British officers up, treating them like captured POW's. He didn't feed them well, and some died (Smith 247-8).

After America's war with Japan started, OSS attempted to work with Tai Li as well. However, some of Tai Li's troops began to frequently break off from skirmishes with the Japanese and attack Burmese villages instead, (as, indeed, they'd been doing since before America's counterattack campaign in Burma) plundering and stealing at gunpoint from the hapless villagers (Smith 265-6). The OSS then allowed a small group of its officers to fire on these clearly-defecting Chinese troops (Smith 265-6). Yet, instead of apologizing to America for his troops' treasonous and illegal acts, Chiang insisted that the U.S. apologize for firing on these creeps (Smith 265-6).

When FDR sent a State Department employee to do what the British officers had attempted to do before Pearl Harbor in cleaning out spies from Tai Li and Chiang's administration, she was killed in the streets by persons clearly traceable to Tai Li (Smith 268-9). Clearly, Tai Li felt he had something to hide and sympathized more than a little bit with Japan. He was reported by Stillwell to be much more interested in fighting Mao than the Japanese, with some of his forces even fighting alongside the Japanese or maneuvering in such a way as to assist the Japanese in occupying some areas so that they could fight Mao's forces (Smith 250-80). And at that point Stillwell suggested again that FDR press for a reform in Chiang's forces (Smith 248-50; 263-5).

But Chiang got wind of this, and, rather than making the suggested reforms, he insisted that FDR, instead, fire Stilwell (Smith 264-5). At first FDR resisted: after all, Stillwell was a hard worker and an able general. He had already worked wonders in the China-Burma-India theater on a shoestring budget. But Chiang dug in his heels. At some point, FDR caved in and actually fired Stillwell (Smith 265).

It is still not clear what kinds of pressure could have been applied to make FDR do so. But it could very well have been communicated to him by Standard Oil that it had reason to suspect that Chiang would start helping Japan if he didn't comply.

And without revealing **how** they knew, they may also have informed FDR that a negotiated peace with Chiang was still of interest to Japan. Their source could have been that they had knowledge of a Japanese response to a secret courier mission that had communicated the terms of a negotiated peace to them. And one of the persons who had arranged this secret courier mission (a courier being used at that point to avoid FDR's by then known surveillance of Dulles) and its cover-up, and who had also seen that the results of that mission were communicated to FDR, was then-Secretary of the Navy, James Forrestal.

Loftus and Aarons point out in numerous places how Forrestal was a leading anti-semitic and a secret Dewey backer within the Democratic administration of FDR and Truman (176-8; 212). It is clear that he was in on the traitorous shenanigans of Allen Dulles in the latter months of 1944, as he sought to negotiate with the Axis behind FDR's back. If Forrestal would cover up for Dulles in Europe, why would he not also have done so in the Pacific?

In July, 1944, FDR airdropped the supplies to Mao (Smith 265). It is a certainty that Chiang threw a fit. And it would have been one in which he was encouraged by right-wingers at OSS and Standard Oil, including GOP operatives. Dulles, Forrestal and others with Standard Oil wanted to use Chiang's anger to their advantage. They would suggest that Chiang forego his war against Japan in return for its promise to help against Mao.

In the summer of 1944, Chiang betrayed FDR and his fellow Nationalists by negotiating with the Japanese during their Ichigo Offensive (Bagby 234). Chiang, in betraying his countrymen, allowed the Japanese to capture 17 major new American bomber bases in Northern China to have been used to bomb Japan and Japanese shipping.

It is an interesting coincidence that America's ability to bomb Japanese **shipping** was hampered at this precise point. Standard Oil had just succeeded in pressuring the Roosevelt Administration to allow it to ship oil to neutral but pro-Fascist countries in May 1944 (Higham 58-62). This had the effect of making it easier for Dulles to use Japan to help him transfer his wealth from Axis-occupied nations in Europe to Japanese-occupied Manchuria ahead of advancing Soviet troops (Loftus and Aarons 250-70). As a good will gesture to Japan, and as part of laying the groundwork for a negotiated peace with the Axis, Dulles seems to have promised a Standard Oil shipment out of Saudi Arabia through India to Thailand. Data later gained by CIA and State Department employees indicate that Allen Dulles had engaged in negotiations with the Thai government at that time (Loftus and Aarons 111).*

Forrestal was a "leader" in seeing the future problems with Mao's Communists in China (Loftus and Aarons 158). In the closing months of World War 2, he was also the leading critic of the bombing of Japan (Devine 50-1). He encouraged FDR to stop bombing Japan, ostensibly concerned with Japan's opinions about the U.S. in the postwar years, when their alliance with us against Russia and Mao would be needed. (Herbert L. Feis. **Japan Subdued**. New York: 1961. 4-11).

In reality, of course, Forrestal's positions vis a vis bombing Japan in those closing months had much more to do with his efforts to once again soften the Japanese to the idea of a negotiated peace (See also "TOJO OUT: The Mysterious Japanese Cabinet Shuffle of July, 1944" below.) Up to the very end, Dulles, Forrestal and the other partners at Standard Oil were behind FDR's back attempting to negotiate a "separate peace" with the Axis. While they may have felt they were acting in America's interests in the process, it seems clear that they were primarily acting in the interests of their own pocketbooks.

*Many of those we've just named as possibly being helpful could have been instrumental at this point as well: General Draper, Robert Lovett, Artemis Gates, Jesse Jones and Francis Biddle. In addition, MacArthur's Chief of Staff General Richard K. Sutherland, whose father was an associate of Bush's father's attorney, the now known to be traitorous Allen Dulles, might also have helped at this point. His own views included liking Franco and wanting MacArthur or **someone** as a right-wing dictator of the U.S (Manchester 202-3).*

{ Here, too, see Robert Lacey's book **The Kingdom: Arabia and the House of Saud (New York: Avon, 1983). He tells us that the king of Saudi Arabia, the Ibn Saud, was still hostile to the Allies (and, especially, to Jews) in late-1944, manipulating American and British oil companies to engage in machinations to compete for his oil (256-69). One of those "machinations" by American oil seems to have been a diplomatic ploy to the Axis, which they could use to pressure FDR to not allow Britain to get too much influence with the Saudi king after the war, at their expense (Lacey 256-69). Further information on the difficulty of negotiating favorable trade agreements with the Arabs in competition with Britain is found in the subsequent chapters of Lacey's book and also in **Summary of Middle East Developments** by Arabian American Oil Company (ARAMCO) (New York: ARAMCO, 1948), in **The British Commonwealth: The Near East and Africa** as compiled by the United States Department of State (Washington, DC: GPO, 1959), and **ARAMCO, The United States and Saudi Arabia: A Study in the Dynamics of Foreign Oil Policy, 1933-1950** by Irvine H. Anderson (Princeton:UP, 1981). The fact that this activity could be used to arrange a possible negotiated truce with the Axis that might have the effect of helping Dewey's campaign of 1944 against FDR, was only icing on the cake. After all, if it could be arranged for Dewey to win that campaign, the prospect was that Standard Oil's top*

executives, including Nelson Rockefeller, might be spared prosecution for trading with the enemy. Like Spain, Thailand was only technically neutral. Just as Spain had helped Germany, Thailand helped Japan. And Standard, on May 2, 1944, had pressured FDR to allow them to reopen oil trade with neutral countries like Spain (Higham 58-62). This had to have included, as far as Standard was concerned, Thailand. And, once the oil got to Thailand, the Japanese would be able to access it. Best of all, from Standard's point of view, Japan would pay good money for this desperately-needed oil. On top of this, Standard could rationalize that the oil wasn't going to help an enemy, but a nation which would soon be an ally against Russia and Mao.}

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Source: <http://www.maxstandridge.net/Chiang.htm>

Monday, 5 August 2013

Famous Shanghai World War II Personalities, 1937 to 1949

The following individuals either did not live in Shanghai prior to the Japanese occupation in World War II or did not rise to prominence until after hostilities began. As with previous listings, in the case of Western or 'foreign' individuals, the surname is given first and in capitals; Chinese and other Oriental individuals' names have been left in their more recognisable form (to Western readers) but with the family name capitalised for reference. None of these people are fictional.

KAHNER, Major Gerhard

“[Germans in Shanghai] ‘who were not satisfied with the way things were going’ simply ‘disappeared’ and later their bodies were found floating in the Whangpu River. The rest of the German community believed – not without reason – that Kahner had them kidnapped and killed.”

***-German Intelligence in China & Japan,
US Strategic Services memorandum, 9 August 1945***

The German ambassador to Japan found Kahner to be dishonest and a liar, “sexually dissatisfied” and with an “inclination to sadism”. Kahner arrived in Shanghai in 1940 and took over as the local head of the Gestapo.

Kahner's main role was to examine the influx of Jews into the French Concession in Shanghai and to conduct counter-espionage against the British apparatus in play there. Here, he trod on the toes of the German Ministry who claimed that the first objective was already in their jurisdiction; Heinrich Himmler insisted that Kahner be accommodated and included as part of the Embassy Press Office. Kahner's role was to be a shadowy cat's paw, especially after the arrival of Meisinger who took over the Gestapo upon his arrival.

MEISINGER, Colonel Josef; aka ‘The Butcher of Warsaw’ (1899-1947)



“A frightening individual, a large, coarse-faced man with a bald head and an incredibly ugly face”

-Walter Schellenberg, The Labyrinth: Memoirs of Walter Schellenberg (1956)

Meisinger arrived in Shanghai in 1941, complete with a cast-off mistress of Himmler's as his (estranged) wife, and proceeded to take over the Gestapo operations there from Kahner. Kahner was philosophical at first about the arrangement, but resented being shipped to Tokyo in 1943 on Meisinger's say-so. Meisinger immediately ran into the same diplomatic issues that had beset Siefken concerning the Embassy community and determined to do something about it. He began to spy upon his fellow

countrymen more than the other forces in the area and in the end alienated everybody. He ran an efficient thug machine, largely relying on the sadism of Kahner.

Meisinger's speciality was the exposing of homosexuals and investigations into abortionists, a role in which he had been frighteningly successful in Poland; he managed to get a few German officials in Shanghai - including Siefken, perhaps his greatest coup - removed on this score, but on the whole his efforts at information-gathering were abysmal, leading to an official rebuke from the Nazi foreign minister, von Ribbentrop.

Instrumental in hiring Erben and having him committed to internment, Meisinger provided him with no assistance upon his release. Rather, he told Erben to see Eisentraeger about compensation. In the meantime, Meisinger vainly attempted to commit suicide by slashing his wrists only to be saved by US forces and later, shipped to Poland to face charges as a war criminal. He was executed in 1947.

EISENTRAEGER, Colonel Lothar; aka 'Ludwig Ehrhardt'

"He is a jolly fellow and likes a good drink, good food and to enjoy life. His house was open to everybody who wanted to have a drink and was willing to keep him company. He hated to be alone and therefore he was almost always out or had somebody at his place. He [was] very talkative, especially when he had drunk one too many. He invited almost the whole of the German community. During the first two years in Shanghai he went very often to the night club Hungaria in Yu Yuen Road. He urged me to come with him. I went there twice, but I disliked the place."

-Gerda Kocher, Eisentraeger's secretary, post-war interrogation report

Rushing into Shanghai just moments before the Soviet Curtain fell over the Trans-Siberian Express, Eisentraeger, a Major in the *Abwehr* at the time set up base there to begin his mission. He was to conduct business transactions with the Kuomintang government in Chungking for the purchase of tungsten, zinc and rubber; however, the recognition by Nazi Germany of the Japanese puppet government in Nanking put paid to all thought of this. Instead, he devoted himself to information-gathering in Shanghai and his first goal was to oust his predecessor, Siefken, before whom he had to submit all of his communiqués to Berlin before transmission. Siefken was having similar difficulties with the German consulate in Shanghai, who insisted that all radio transmissions placed before them for sending should be initially uncoded; Siefken objected and began to send all his intelligence to Berlin via the Italian Embassy. Having constructed a network of radio bases across China, and having refused to disclose its operation to the Japanese after they discovered one of the relay stations, Eisentraeger used this *impasse* to formally accuse Siefken of economic collusion with the Japanese Naval Intelligence leader in Shanghai, Otani.

Siefken fled to Peking, shutting down all of his operations in Shanghai. Shortly thereafter, he succumbed to typhoid fever and an eye infection which landed him in hospital. Eisentraeger used Meisinger's skills to accuse the *Abwehr* chief of homosexuality and was able to get him recalled to Berlin: Siefken managed to burn all of his notes and files first - a severe blow to the German intelligence network in China - and was able to plead ill health to prevent his return and spent the rest of the War in China.

Eisentraeger set about dismantling the *Siefken Bureau* and replaced it with the *Ehrhardt Bureau*, after his alias 'Ludwig Ehrhardt', and received funding to the tune of RM25,000 per month. In contrast to Siefken, 'Ehrhardt' was paranoid, garrulous and a drunk, suspicious of everyone beneath him and intolerant of failure. He was gloatingly proud of his dismissal of Siefken but he had committed a fatal error: by black-balling Otani, he had cut off all support from the Japanese occupying force; thereafter, his ability to gain intelligence on the ground in Shanghai was reduced to naught.

His one achievement in the War was to establish listening stations in Peking and Canton with which to intercept Allied communiqués. These were usually broadcast *en clair*, despite the sensitive nature of their material, and even the codes, when they were used, were pathetically easy to break, hallmarks of the naïveté displayed by the British *Oriental Mission*. 'Ehrhardt's' *Bureau* was soon intercepting up to 2,000 transmissions a day. After the War, he was sentenced to life imprisonment in Bavaria (mainly on the evidence of Siefken) but was released in 1950 after an inquiry by the US Army.

MILES, Lieutenant-Commander Milton 'Mary'; aka 'Trout'; aka 'O.610'



Nicknamed 'Mary' after a silent movie star, Miles came to China in 1942 on behalf of the OSS and was stationed at Chungking with the Kuomintang Government forces. His main contact there was Tai Li, the Kuomintang's information officer, known as the 'Himmler of China'. Miles was fated to fall completely under the spell of this sinister individual.

Vain, easily-flattered and naive, Miles was slowly bought with gifts and positions of standing within Tai Li's organisation. He instinctively distrusted the elitist atmosphere of the Keswick brothers but was quick to respond to the flattery of the Chinese. Consequently, relations between the Americans and the British intelligence networks reached an all-time low. Several times, Miles' superiors warned him against the machinations of the Chinese and even General Stilwell, in charge of the Asian theatre operations during the War, thought Miles was being "played for a sucker".

After the liberation of Shanghai, Miles - now a rear-admiral - and Tai Li journeyed to the city to celebrate. Having been censured by his superiors in the meantime, Miles prepared a statement to the effect that he thought his commanders were not eligible to question his activities; he admitted in his memoirs later that he was "all wound up" and "a little off my rocker". He was greeted by a squad of medicos before he could make this announcement in public and taken away for psychiatric assessment. The Chinese awarded him *Medal no. 90 of the Order of the White Cloud & Golden Banner*, and promoted him to the rank of Lieutenant-Colonel in the Chinese Army; the Americans busted him down to the rank of Captain.

TAI Li; aka 'O.601'; aka 'The Himmler of China' (1897–1946)



Lieutenant General Tai Li was born Tai Chunfeng to a lower class family in Chekiang Province. His father died when he was only four and his mother raised him alone. He showed great promise as a student throughout his school life; however, at age 16 his family was unable to send him on to tertiary studies, so he moved to Shanghai and lived rough on the streets, where he made a living by gambling. His skill and luck attracted the attention of the Green Gang and he was allowed to meet “Big Eared” Tu in a casino; this led to a later introduction to Chiang Kai-shek in 1922, when Tai was 24.

A slump in his fortunes caused him to return home temporarily at which time he applied to join the Whampoa Academy in Canton, after hearing that Chiang was in charge there: he procured a letter of introduction from Tu Yue-sheng to facilitate this process. While there, he changed his name to Tai Li, a reference to the veiled hood worn by assassins, and was tasked by Chiang to spy on and inform against his fellow students, trying to ascertain which of them held Communist sympathies. His endeavours in this regard helped considerably during the infamous Zhongshan Warship Incident.

During the Northern Expedition, Tai Li was placed in charge of military intelligence and formed the “Clandestine Investigation Section” which would later become the Chinese Investigation and Statistics Bureau. As head of this shadowy organisation Tai Li became one of the most powerful and dangerous men in the country and became known as the “Himmler of China”. He was also the leader of the infamous Blue Shirts Society, a group of ultra-fascist idealists who performed security and intelligence work for Chiang Kai-shek. With the power of these two agencies behind him Tai Li was able to penetrate deep into the heart of both the Chinese Communist party and the puppet organisations run by the Imperial Japanese Army.

Tai Li courted the US military and worked closely with them during World War Two. He traded information with the US High Command selling them Japanese troop movements, maps and offering safe havens for US soldiers. In return, Tai gained more than fair payment, having subverted most of the US intelligence agents with bribery and flattery, using them to do his own dirty work, as in the case of Milton Miles. By this time Tai commanded a force of over 70,000 trained guerrilla fighters and intelligence operatives; after the signing of the SICO Treaty in 1942, he was made head of Sino-American intelligence activities.

Tai Li maintained an aura of mystery about himself at all times. Outwardly buttoned-down and unreadable, he was known to live a lavish private lifestyle and private parties at his house or headquarters were rumoured to be extreme in their bouts of drinking and excess. He died in a plane crash in 1946 which, rumour has it, was arranged by his opposite number in the Chinese Communist Party, Kang Sheng; the fact that it took place onboard an American aeroplane also raises speculation that the Office of Strategic Services may have had something to do with it.

KESWICK, John H.; aka ‘O.113’; aka ‘AD/O’ (died 1982)



“[John had] a remarkably pronounced back to his head which so resembled the statues of the Chinese god of happiness, Fu Shen, that in the country Chinese often touched him in the belief that some of his happiness would rub off. It usually did.”

-Dictionary of National Biography entry by John Swire, 1980-1985

A *taipan* of the ‘old muckle house’ *Jardine, Matheson’s*, John Keswick and his older brother ‘Tony’ were approached early on in the War to become agents for the British secret service. They encountered fierce resistance from the American OSS whose agent, Lieutenant Milton ‘Mary’ Miles, found them to be too ‘old money’ for his liking. John Keswick left Cambridge with fairly dismal scores, but he spoke several of the local dialects fluently, including Mandarin, Wu and Cantonese. During the Japanese

occupation he became the head of SOE operations in Chungking where one of his major tasks was the training and equipping of the Chinese Commando Group (CCG), an effort which stalled abysmally. He stayed in Shanghai after the war until 1946 before removing to Hong Kong ahead of the Communist takeover in 1949.

KESWICK, W. J.; aka 'Tony'; aka 'AD/U' (died 1990)



"...to...Tony Keswick, who got the rook rifle for me..."

-News From Tartary, from the Foreword, Peter Fleming, 1936

Head of the *Shanghai Municipal Council*, older brother of John Keswick and, like him, a *taipan* of the trading house *Jardine, Matheson's*, 'Tony' Keswick was leader of the SOE operations in Shanghai during the Japanese occupation. While undercover, he drew a hardline accommodationist line with the occupying forces, seeking to minimise losses to British trading concerns. He was shot at and wounded by a madman at a rally to air Japanese grievances about the composition of the '*Council* representatives, even though he was willing to give the Japanese greater representation on the '*Council* board. He recruited many 'old China hands' to positions in the Shanghai SOE but their usefulness was limited by their naiveté and the unwillingness of the Americans to recognise their capabilities

He stayed on in Shanghai until 1946 before moving the assets of *Jardine, Matheson's* offshore to Hong Kong and to the Bahamas before the Communist takeover He died in 1990.

KILLERY, Valentine St. John; aka 'O.100'



Appointed the head of '*Oriental Mission*', the chief of all espionage activity in the Asian region, Killery got off to a poor start. Firstly, there was a man already in place for the job who got displaced to Singapore and who resented the relocation; second, Killery's expertise in spying activities read like it came out of a 'Bulldog Drummond' novel and had nothing to do with the sordid realities of the Gestapo or the Kempeitai. He recruited an initial crew of renowned British agents in Shanghai, each of which had seen service in previous wars, but didn't count on them being easily targeted by the Japanese by virtue of their being white and famous.

Learning from this mistake, he instructed John Keswick to create a Chinese guerrilla force at his position in Chungking using the assistance of Chiang Kai-shek's militia; this effort was undercut by corruption in the supply lines, exposed in 1942, and the entire effort was dismissed by the Generalissimo. After this failure, Killery was sacked by the SOE and the *Oriental Mission* was shut down. Killery returned to England to become the head of the ICI Corporation.

BERRIER, 'Count' Hilaire du; aka 'Abdullah du Berrière'

"The trouble is trying to decide who to tie up with. My old friend Colonel Schmidt, who was with me in Addis Abeba, Paris, and Spain, once said: 'Make your friends on one side of the river, Hal, make them good and strong...' Well, Schmitty was right, only the difficulty is knowing which side of the river. It's like a parachute jump. You have to be right the first time."

-Hilaire du Berrier, letter to his sister, 1937

Du Berrier's inability to decide with whom to 'tie up' was to cause him a few anxious moments. An adventurer and an aviator, he originally came to Shanghai to sell aeroplanes. He invented his spurious title of 'Count' after encountering others in Shanghai who partied on the strength of an equally dubious nobility. He moved in the same circles as 'Princess' Sumaire, 'Dr' Erben and Dr Albert von Miorini – a notoriously sadistic German doctor and white slave trader - and dabbled in everything from intelligence bartering, to prostitution to white slavery. He eventually chose a side becoming a notable informant, selling information to the Japanese.

After the War he escaped punishment by becoming an informant for the US counter-intelligence authorities in Shanghai, working under the pseudonym 'Abdullah du Berrière'. He spilt his guts about all of his wartime contacts, most notably his former lover, Sumaire. He was last seen working as an advisor on Viet Nam to the *Geneva Conference* of July 1955.

ERBEN, 'Dr' Hermann; aka 'Alois Ecker' (1847-1985)



“As for being a German agent, he stated that Dr Erben would probably make the worst agent in the world for any nation, since they have a finger on him in every port of the world. He explained that by this he meant that in a great many places Dr Erben had been guilty of some minor infraction of local rules, such as not having the proper papers at the proper time, or saying the wrong thing at the wrong time.”

-FBI Investigation Report, obtained from Errol Flynn

Erben was born in Austria and studied medicine at the Vienna University although he dropped out before concluding his degree. He worked thereafter as a doctor's assistant until winning a Rockefeller Fellowship to study psychiatry in New Jersey. He took US citizenship in San Francisco in 1930 but led a wandering life, signing on as ship's doctor with various shipping companies. He met up with Errol Flynn in 1934 in New Guinea while searching for gold and they spent the next few months 'bumming around' together. In 1935 he was arrested in Calcutta while taking part in a trans-Asiatic motor expedition on suspicion of opium smuggling; he was eventually charged with possession of an unlicensed pistol and ammunition, fined 300 rupees and deported to the US. His arrival in New York was heralded in the press by the fact that he had with him 1,100 monkeys on board his ship, another 100 of which had died *en route* and upon which he had performed autopsies.

He travelled extensively in the next few years meeting up with Flynn again in Spain during the *Civil War*. He was arrested for trying to inspire a mutiny on board one ship (charges were dropped) and was noted for wiping his hands on the American flag and for giving Nazi salutes to German ships as they passed by. He joined the Nazi Party in 1938 shortly before taking up a medical position in Nanking. In 1940 he presented himself at the German Embassy in Mexico as an “agent for hire” and was issued with a new passport in the name of ‘Alois Ecker’. With this document in hand he made his way to Shanghai, to his old friend Albert von Miorini, a classmate from his university days.

The *Ehrhardt Bureau* considered Erben a buffoon and tricked him into two-and-a-half year's internment in the Allied containment facility in the Pootung area, on the pretext that he was there to determine and undermine any Allied contacts taking place. After the liberation by Allied forces at the end of the War he presented himself to his old controllers – Eisentraeger and Meisinger - who both gave him the brush-off. He gained employment working in an anti-malaria unit under US control but became obsessed with the circumstances surrounding his old friend Miorini's death and went to extreme lengths trying to identify his murderer, bashing and extorting 'likely suspects'. Deported to an American detention centre in Germany, he was eventually released and took up medicine once more, working in exotic locations such as Iran, Iraq and Indonesia. He was found dead of exposure in his unheated flat in Vienna in 1985.

SUMAIRE, ‘Princess’ (Rajkumari Sumair Apjit Singh)



Upon her arrival in Shanghai, Sumaire claimed to be a daughter of the Maharaja of Potiala, one the most powerful and wealthy maharajas of the Indian sub-continent. This immediately piqued the interest of the British powers and they set out to discover the truth of her claims. They determined that she had arrived from England, bound back to her homeland. She has spent several years in Europe in Paris and Rome with her mother, working as a successful mannequin for Schiaparelli but fears for her mother's health had forced her to return. Sumaire's stopover in Shanghai was to become an arrival with no departure: her mother was conveyed onwards to India but 'Princess' Sumaire had found a spiritual haven.

Sumaire booked a sumptuous suite upon her arrival and began a wild round of parties and other events: in no time at all she was the talk of the town with suitors and attendants hanging on her every word. She was by no means a glamorous beauty - she was short and dark with drooping eyes and a button nose - but she had more than enough charisma and elegance to overcome any physical limitations. Her *liaisons* and *soirees* soon became scandalous: the British investigators, still trying to determine her origins, asked the Maharaja of Potiala whether or not he knew if his daughter was creating a sordid sensation in Shanghai? "It is quite possible", he replied. "I have twenty-three daughters".

Maintaining her lifestyle was Sumaire's prime concern and she did this by attracting the wealthy and powerful to her as her lovers; over time she also resorted to blackmail to keep the funds rolling in. British files of the time classed her dismissively and prudishly as a lesbian but it seemed that she had no particular preference. Eventually and almost inevitably especially after her liaison with du Berrier, she began to trade in information, passing military secrets to the highest bidders and those who could pay her exorbitant rents. Her partners were almost exclusively Japanese before the War ended.

Towards the end of her stay in Shanghai, she was imprisoned several times for questioning in the infamous Ward Road prison. On her last visit she was brutally kicked and beaten, suffering terrible internal injuries which required dangerous surgeries afterwards to correct. Possibly because of these incidents, she faded into the background and became lost to history. Sumaire's identity was never revealed and the closest that British intelligence came to identifying her was a tenuous theory that she was the Maharaja of Potiala's niece. Whatever her origins, it's clear that her greed and her expensive tastes drove her to dabbling with forces with which she was ill-equipped to deal.

Posted by [Craig Stanton](#) at 00:53

Source: <http://mdcls.blogspot.com/2013/08/famous-shanghai-world-war-ii.html>



Left: Nationalist Chinese Army Lieutenant General **Tai Li**, informally known as “The Himmler of China”
 Right: U.S. Navy Lieutenant-Commander Milton ‘Mary’ Miles, an OSS agent in China during World War II



Nine American scientists and one Chinese scholar were awarded citations for eminence in widely varied fields of achievement in pure and applied science on the night of May 24, 1943 climaxing in a day of nationwide commemoration of the 400th anniversary of the Polish astronomer, Nicholas Copernicus, who died May 24, 1543. The awards were made at a meeting in Carnegie Hall sponsored jointly by the Kosciusko Foundation and the Copernican Quadricentennial National Committee. Here, two recipients of awards are shown at the meeting: Dr. James Y.C. Yen (left, B.A. Yale 1918), of Chungking, China, founder and general director of the China Mass Educational Movement; and Professor Albert Einstein, of Princeton, New Jersey. (© Bettmann/CORBIS)



The 1st American Volunteer Group of the Chinese Air Force, famously nicknamed the “Flying Tigers,” fought alongside the Chinese in World War II.



At a banquet to honor General Claire L. Chennault are, from left facing: United States Ambassador to China Patrick J. Hurley, Generalissimo Chiang Kai-shek, and General Claire L. Chennault. General Albert Wedemeyer is in profile at extreme right. (U.S. Army Military History Institute)

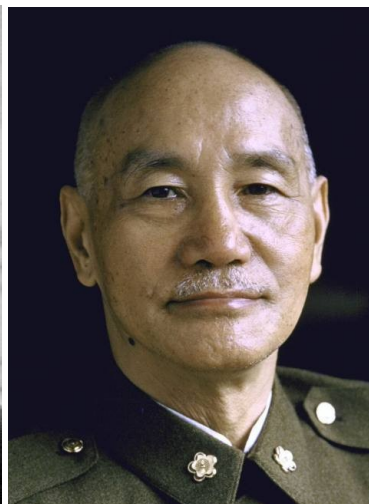
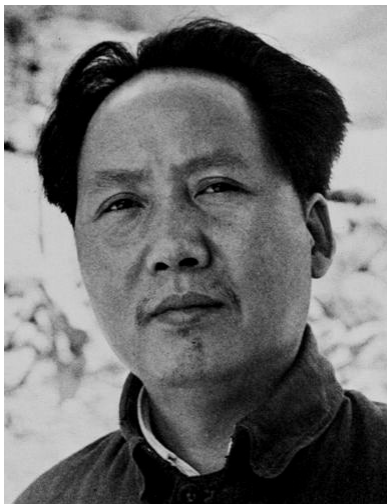


Allied victory drive along Nanking Road in Shanghai in 1945. (U.S. Army Military History Institute)

Chinese Civil War: Part 2 (1945-1949)



Patrick J. Hurley (far right), the U.S. Ambassador to the Republic of China, watches Chinese Communist leader Mao Tse-tung (left) and Generalissimo Chiang Kai-shek, leader of Nationalist China, toast one another at a “peace” conference in September 1945. Chiang Kai-shek and his fellow Nationalists would evacuate to the island of Taiwan in 1949. ([U.S. Naval Institute Photo Archive](#))



The Hegelian Dialectic and the rise of modern China: Mao Tse-tung (left), leader of the Chinese “Left” and Chiang Kai-shek (right), leader of the Chinese “Right”. Although Mao and Chiang opposed one another politically, both Mao and Chiang claimed to be successors of Dr. Sun Yat-sen and his “Three Principles of Democracy.” Both Mao and Chiang were acquainted with prominent members of the Soong family; Chiang Kai-shek was married to Soong Mei-ling. Both Mao and Chiang indirectly served the interests of the Communists, Soviet Russia, and later corporate America. Chiang Kai-shek opposed Communism and Soviet Russia after an assassination attempt on him occurred in Canton, China in 1926. Mao Tse-tung allegedly attended Yale-In-China and allegedly maintained ties with Yale scholars.



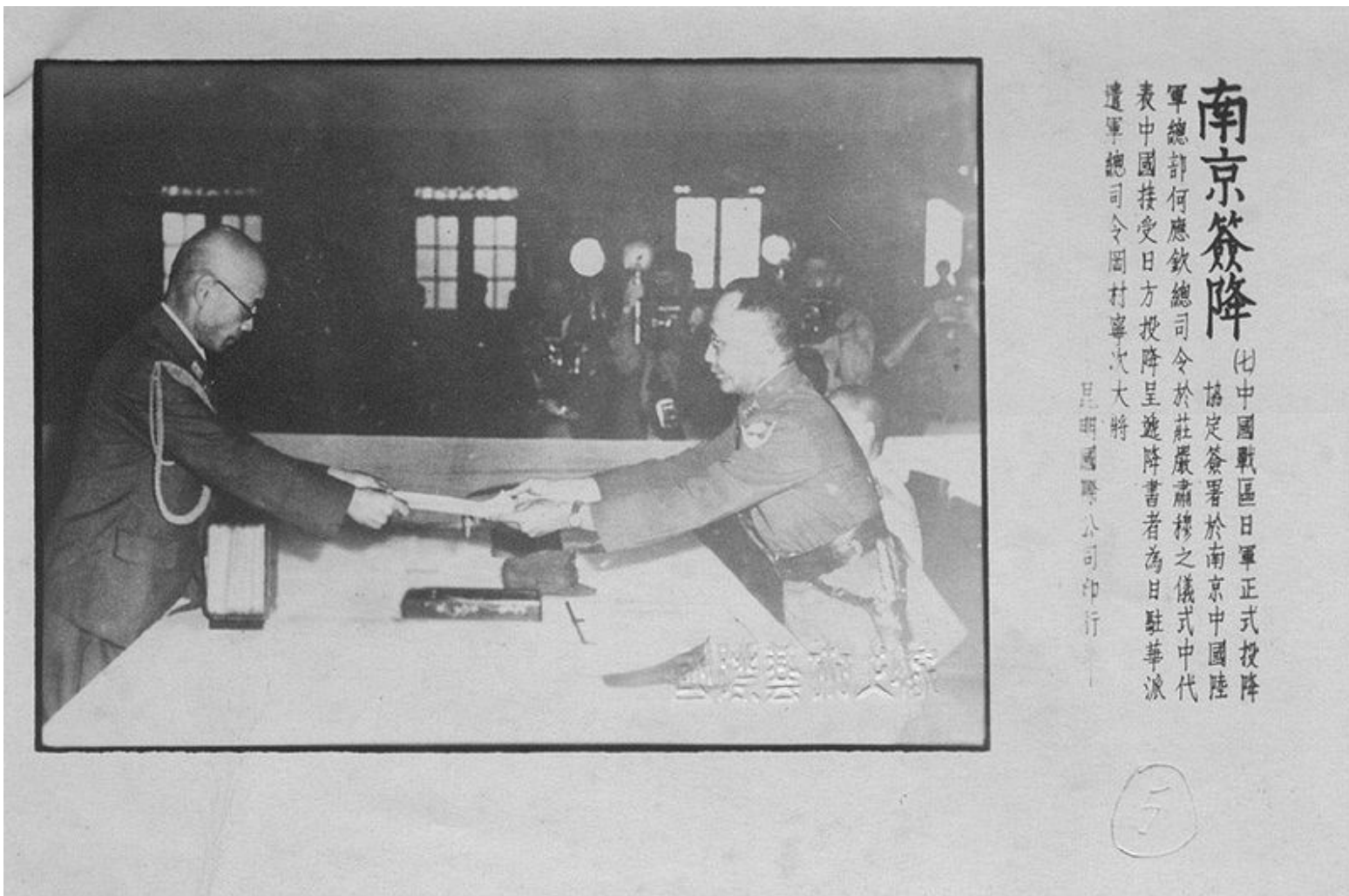
Soviet troops by the Songhua river at Harbin shortly after invading northern Manchuria in August 1945. The Soviets turned over captured Japanese arms to the Chinese Reds and shipped Manchurian factory equipment to the Soviet Union. AP/Wide World Photo.

Soviet troops make their presence in Harbin in Manchurian province of China in August 1945.

(Photo: AP/Wide World Photo/*The Strange Connection: U.S. Intervention in China, 1944-1972* by Bevin Alexander)



Soviet Red Army troops congregate outside the Harbin train station in Harbin, Manchuria (China) in August 1945.
(Photo: <http://pro-patria-mori.tumblr.com/post/43474379563/soviet-troops-in-manchuria-at-the-harbin-train>)



Commander-in-chief of the China Expeditionary Army Yasuji Okamura (left) presents the Japanese Instrument of Surrender to Nationalist Chinese General He Yingqin at Nanking, China on September 9, 1945.



Generalissimo Chiang Kai-shek (right), the leader of the Republic of China, meets with Chinese Muslim generals Ma Bufang (second from left) and Ma Bufang's brother Ma Buqing (first from left) at Generalissimo Chiang's temporary residence in Xining in August 1942. Ma Bufang lived in exile in Egypt and later Saudi Arabia; Ma Bufang served as the Nationalist Chinese Ambassador to Saudi Arabia for several years. (Source: KMT Party Archives)



A conference takes place at Yen-an Communist headquarter for the upcoming Chungking meeting in Yen-an, China on August 27, 1945. From left to right are: unidentified, Mao Tse-tung, U.S. Army Observer Col. I.V. Yeaton, U.S. Ambassador to the Republic of China Patrick J. Hurley, an unidentified Chinese officer, and Chou Enlai. (Time Life photo)



Chiang Kai-shek's assistants Chen Koufu (left) and his brother Chen Lifu



Chou Enlai, Mao Tse-tung, and U.S. Ambassador to the Republic of China Patrick J. Hurley arrive in Chungking, China for peace talks, August 1945. (Courtesy Service Family) <http://www.honorablesurvivor.com/photosChina1.asp>



U.S. Ambassador to the Republic of China Patrick J. Hurley (front row, left) appears with Republic of China's President Generalissimo Chiang Kai-shek (front row, center), Communist terrorist Mao Tse-tung (front row, right), and Chiang Kai-shek's son Chiang Ching-kuo (back row, left) in Chungking, China in September 1945 during the failed American attempt to negotiate between the Chinese Nationalists and the Communist terrorists. (Photo: Jack Wilkes/Time Life)



General George Marshall (second from left) reviews troops at the Communist capital of Yan'an in March 1946. This was the only time he met Mao Zedong (right). With them are Zhou Enlai (left), Zhu De (third from left), and Nationalist General Zhang Jizhuang. AP/Wide World Photo.

U.S. Army General George C. Marshall (second from left) appears with Communist terrorists Mao Tse-tung (right), Chou Enlai (left), and Chu The [Zhu De] (third from left) as well as Nationalist Chinese General Chang Chih-chung [Zhang Jizhuang] (second from right) at the Communist headquarters in Yan'an (Yenan), China in March 1946.
(Photo: *The Strange Connection: U.S. Intervention in China, 1944-1972* by Bevin Alexander)



General Marshall and Mao Tse-tung, Yenan, 1946.

U.S. Army General George C. Marshall chats with Mao Tse-tung in Yenan, China in 1946.
(Source: *Mao Tse-tung* by Robert Payne)



Left to right: U.S. Army Gen. George C. Marshall, Madame Chiang Kai-shek (Soong Meiling), Generalissimo Chiang Kai-shek, and U.S. Army Gen. Dwight Eisenhower have a meeting on a couch in mainland China in 1946.



Generalissimo Chiang Kai-shek drops his ballot in the box after voting in the nationwide general election for members of the National Assembly at Nanking, China on December 8, 1947. (Photo: © Bettmann/CORBIS)



The Chiangs with General Marshall and the visiting General Dwight D. Eisenhower, 1946. Years later Marshall told an interviewer that Chiang had “betrayed him down the river several times,” but he still was “fond” of him. Courtesy George C. Marshall Foundation.

Generalissimo Chiang Kai-shek and his wife Madame Chiang Kai-shek meet with U.S. Army General George C. Marshall (left) and U.S. Army General Dwight D. Eisenhower in China in 1946.

(Source: *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor)



Marshall and Mao Zedong review troops

U.S. Army Gen. George C. Marshall and Chinese Communist terrorist Mao Tse-tung inspect the “People’s Liberation Army” in Yan’an, China in March 1946.



U.S. Army General George C. Marshall (L) appears with Generalissimo Chiang Kai-shek (R) and his wife Madame Chiang Kai-shek (C) in January 1946. (Photo: George Lacks/Time Life Pictures/Getty Images)

Dr. Leighton Stuart, Chiang Kai-shek, and General Marshall



Generalissimo Chiang Kai-shek is flanked by Leighton Stuart (left), the U.S. Ambassador to the Republic of China, and U.S. Army General George C. Marshall (right), the diplomatic envoy to China. George C. Marshall was the U.S. Secretary of State from January 21, 1947 to January 20, 1949. Robert A. Lovett (B.A. Yale 1918) was the Under Secretary of State from 1947 to 1949. George C. Marshall and Robert A. Lovett reportedly advised President Harry S. Truman to withhold military equipments and ammunition from reaching Generalissimo Chiang Kai-shek and his Nationalist army during the final two years of the Chinese Civil War; the Chinese Nationalists withdrew from Peking, Shanghai, Canton, and Chungking by the end of 1949 and evacuated to the island of Taiwan to avoid surrendering to the Chinese Communists. (Source: *Chiang Kai-shek* by Robert Payne)



U.S. Army General George C. Marshall (center) meets with Chinese Communist terrorist Chou En-Lai and Chinese Nationalist diplomat Chang Chun in January-February 1946. (Photo by George Lacks/Time & Life Pictures/Getty Images)



U.S. Army General George C. Marshall chats with Chinese Communist terrorist Chou Enlai in China in 1946. (George Lacks/Time Life)



Red Chinese terrorist Chou Enlai and U.S. Army General George C. Marshall watch Chinese Nationalist envoy Chan Chun sign an American-sponsored "cease-fire" agreement in Chungking, China on February 1, 1946. George C. Marshall constantly restrained the Chinese Nationalists from administering China while turning a blind eye to Communist Chinese military aggression in Manchuria. The Chinese Nationalists were forced to retreat to the island of Taiwan by the end of 1949.

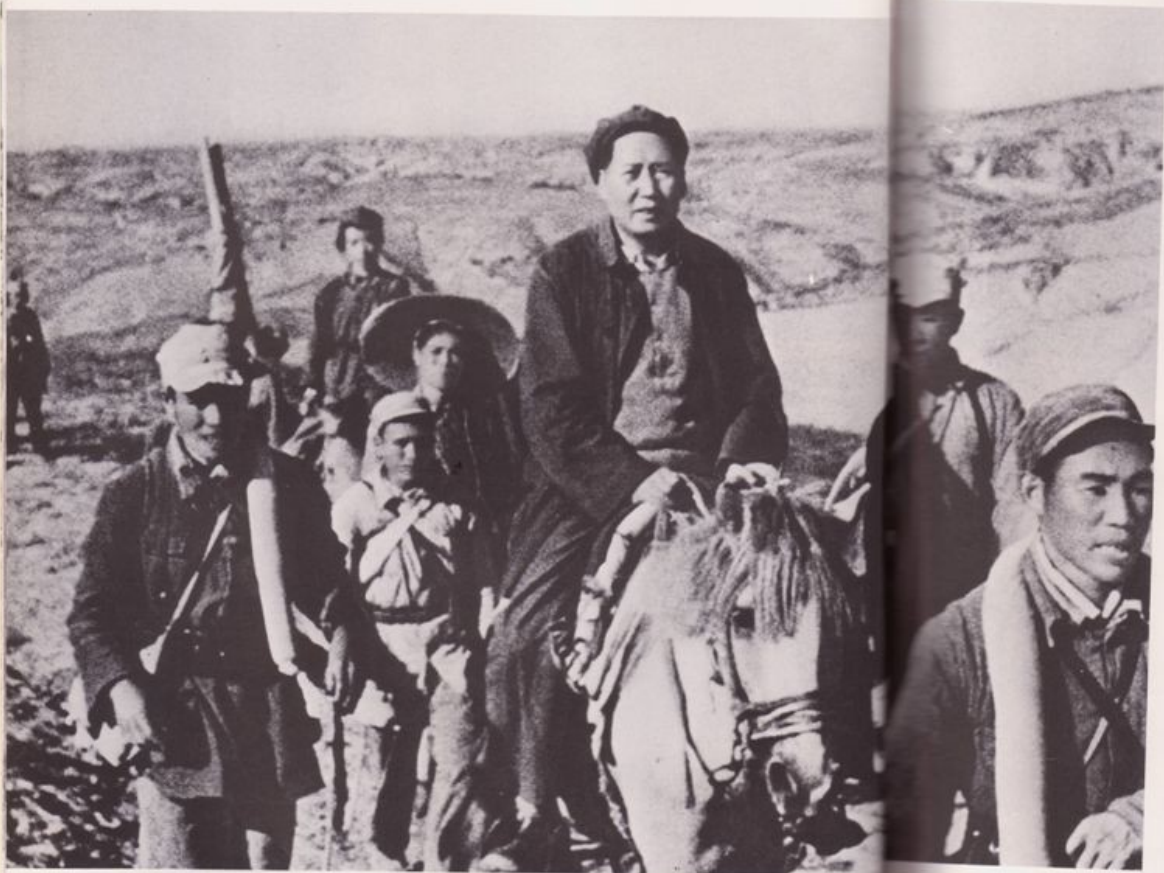


Generalissimo Chiang Kai-shek (C) is flanked by U.S. Economic Cooperation Administration administrator Paul G. Hoffman (L) and U.S. Ambassador to the Republic of China J. Stuart Leighton during a meeting in mainland China in November 1948. The Truman administration withheld weapons, ammunition, and other military supplies from the Chinese Nationalists while the Stalin regime in Moscow was constantly providing weapons, ammunition, and other military supplies to the Chinese Communists. (Photo: Jack Birns/Time Life)

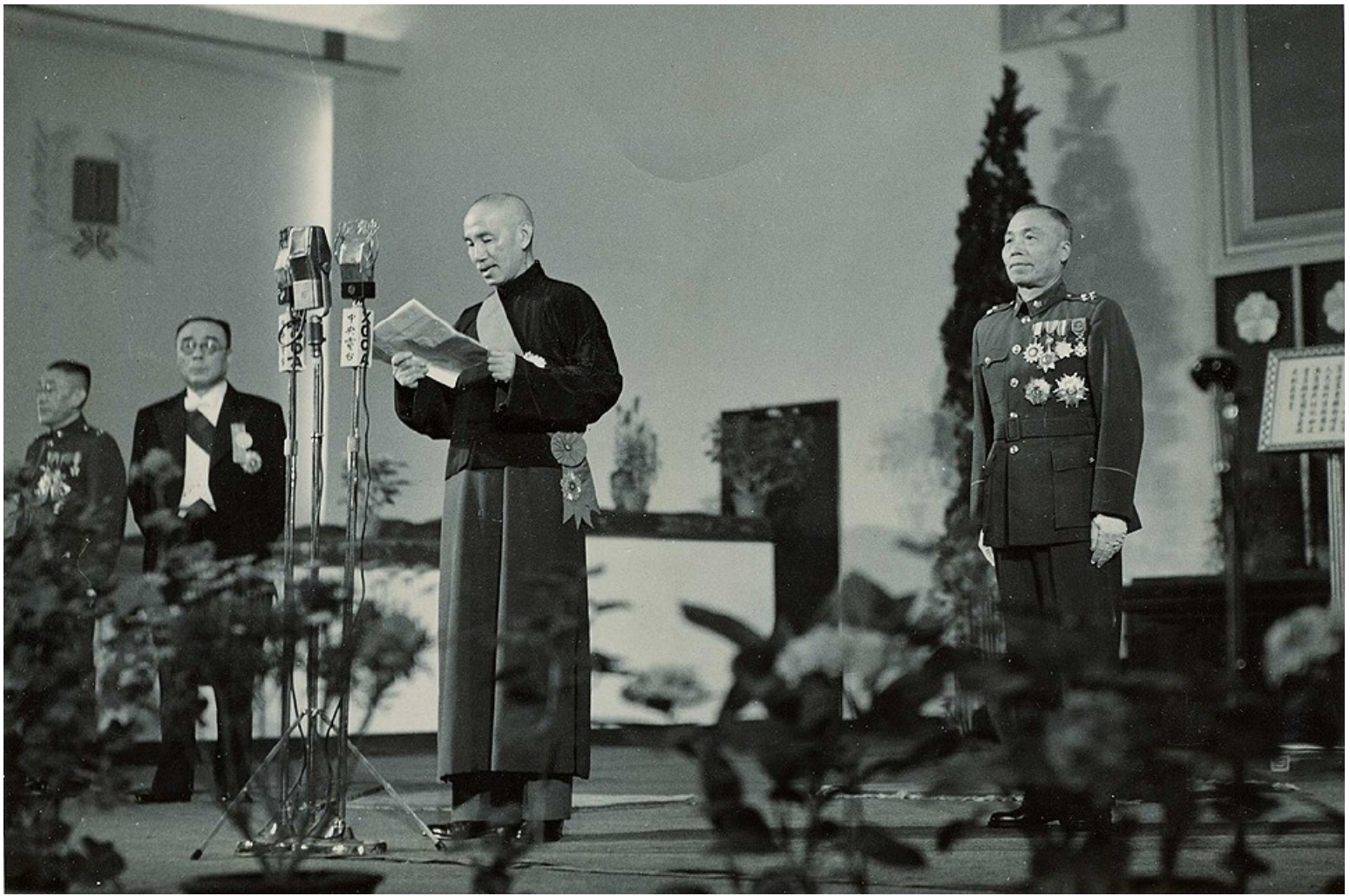


Mao Tse-tung addresses his followers in rural China in December 1948. (Triangle Photo)

*Mao Tse-tung with
bodyguards, during flight
from Yen-an, 1948.*



Mao Tse-tung rides a horse as marches with his bodyguards during their flight from Yen-an, China in 1948. Mao and his Red Army would flee to Manchuria, where the Soviet Union would provide Mao and his army with ammunition, clothes, food, and medicine. Mao and his Red Army would defeat several divisions of the Nationalist Chinese army in Manchuria the following year and capture Peking, Tientsin, Shanghai, and the rest of mainland China by the end of 1949. (Source: *Mao Tse-tung* by Robert Payne)



Generalissimo Chiang Kai-shek delivers his inauguration speech as the first President of the Republic of China in the new constitution of 1946 on May 20, 1948. The Chinese Nationalist government (Republic of China) held their only legislative elections in mainland China in 1947.



Map of China during the [Second] Chinese Civil War (1945-1949)

“Meanwhile, at a September 18 [1946] tea party in Chungking, Mao proclaimed, “We must stop [the] civil war and all parties must unite under the leadership of Chairman Chiang [Kai-shek] to build modern China...The next day, Double Ten Day (the anniversary of the 1911 revolution [October 10, 1911]), Mao joined Chiang for breakfast while the official talks adjourned with the issuance of a vague but upbeat communiqué. The two sides agreed to establish a political democracy, unify China’s armed forces under the Generalissimo and convene the political consultative conference “as soon as possible.” The devilish details were avoided...Back in Yan’an, Mao told his party comrades that the agreed statement in Chungking was “a mere scrap of paper,” and he informed the Soviet representative that civil war was “virtually inevitable.” In a telegram to the Northeastern bureau, he declared that the party was determined to mobilize all resources to take control of Manchuria and to defend its positions in North China. Within six months, the Chairman concluded, “we must smash all Chiang’s military offensives...then we can...force him to recognize the autonomous status of North China and Manchuria.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 321-323

“Marshall’s immediate objective during his peace mission was to arrange a cease-fire. He again proposed that one way to “reorganize” CCP troops currently occupying territory and controlling local governments would be to “mingle them with government troops,” in other words, incorporate them into government units. Chiang [Kai-shek], who had long sought just that arrangement, was again elated and concluded he could “certainly trust” Marshall to head a “Committee of Three” to negotiate the terms of the cease-fire. The committee, proposed by Marshall, would include a ranking Nationalist (Zhang Qun) and a Communist (Zhou Enlai) as well as Marshall. Another issue was resolved when Marshall surprisingly persuaded Zhou to accept continued U.S. transport of government troops to Manchuria, as well as a stipulation that during the cease-fire, government forces would be free to move “into and in Manchuria for the purpose of re-establishing Chinese sovereignty.” In only a few meetings in early January, the Committee of Three astonishingly reached an accord on military integration and a collation government as well as a cease-fire, all with terms that favored the government. Years later, Chiang would lament that Marshall’s “stand and attitude” at this time had caused him to decide to fight for Manchuria. While Mao seemed willing to agree to almost anything on paper, most important to him was what was happening on the ground. He sent another 150,000 troops to Lin Biao in Manchuria and ordered him to incorporate an additional 200,000 local forces into his main units. Then, on January 13, 1946, Chiang and Mao issued orders to their respective armed forces effective at midnight to stop all hostilities and all movement of troops, with agreed exceptions- most importantly the deployment of government forces into Manchuria. Despite the cease-fires’s apparent advantages in Manchuria for the government, Chiang – as well as his generals – thought that overall the truce would be “disadvantageous” to the government. Yan Xishan, for example, warned that the truce would only give the CCP time to regroup and expand. But Chiang felt he had no choice – to protect his relations with the United States and encourage the Soviets to cooperate in the Northeast (Manchuria), he needed to proceed with the agreement. A three-party executive headquarters, which included an American element, moved to Peking to monitor the cease-fire. Chiang’s hopes for a breakthrough with the Soviets were soon to be dashed. On January 14, Chiang-kuo returned from his two-week visit to the Soviet capital, after having had two long unsatisfactory talks with Stalin. The leader of the USSR had warned that the United States was trying to use China for its own purposes, and that only if Chiang Kai-shek did not allow “a single American soldier” to remain in China would the Soviet Union tell the CCP to come to an “understanding” with the Generalissimo. Stalin suggested that he and Chiang arrange a meeting. Chiang-kuo sadly informed his father that Stalin was “playing games” in Manchuria and following “his own plot.”...Sure enough, the Soviet offers began to fall apart. Malinovsky officially informed Chungking that, for “technical reasons,” the Red Army could not meet the new February deadline for its pullout. The Soviet general also again demanded as reparation all Japanese-owned factories in the Northeast, assets that he himself valued at US\$3.8 billion...In China, however, Zhou Enlai continued to convince Marshall that the CCP leaders were not ideological fanatics or allies of the Soviet Union but rather political moderates committed to his peace plan. Immediately after the cease-fire, Chiang began to receive a stream of reports of Communist attacks in North China as well as in Manchuria, where the Soviet Red Army was reputedly supporting CCP units indirectly in some engagements. On January, despite the cease-fire, Communist troops took two cities in Manchuria, including the important coastal port city of Yingkou. Chiang was now beginning to suspect that Marshall was not going to favor the government’s position as much as he had assumed. Marshall did not in his report to Washington note the seizure of Yingkou, an oversight that disturbed Chiang, who wrote that there had to be a point where “I need to make my final decision” in regard to Manchuria...Zhou reported to Mao that Marshall had told him he trusted the sincerity of the Chinese Communists but was having difficulty persuading the Kuomintang leaders. Zhou [Enlai] told his secretary that [George C.] Marshall “reminded him of Stilwell.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 339-343

“Meanwhile, in Manchuria, the PLA [People’s Liberation Army] continued to increase its capabilities thanks to successful conscription and Soviet aid. The government naval commander in Tsingtao reported that his ships had detected several Soviet freighters every week unloading armed Communist troops and weapons at Yantai, the CCP-occupied port at the northeastern tip of Shandong. The rail lines in Communist Manchuria suffered occasional air attacks but were kept humming by a 300-man unit of Soviet Army Railway troops. Soviet doctors, too, were sent to help put down an epidemic of plague in the PLA camps. To pay for the imports of supplies and equipment from Russia, in 1947, Communist Manchuria sent north by train 1.1 million tons of grain as well as other products. Yet throughout the Chinese civil war, CIA [U.S. Central Intelligence Agency] assessments kept reporting that “there was no concrete evidence the Soviet Union was currently supplying Japanese or Soviet material to the CCP.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 372-373

“As fighting outside Manchuria escalated, Truman, in a letter drafted by Marshall, warned Chiang that unless genuine progress was made soon toward a peaceful settlement, “it must be expected that American opinion will not continue in its generous attitude toward your nation.” As Chiang saw it, Marshall had leverage to use against the Nationalist government but absolutely none against the Communists, so he used what he had – his control of U.S. military aid and U.S. military sales to Nanking. Without any announcement the State Department began refusing to license military equipment for China, even sales for which the Chinese government had already paid. Marshall informed Zhou [Enlai] that he had stopped “almost every direct support” of the U.S. government for the Nationalist military. Zhou must have been delighted at the news: he had virtually achieved his objective of neutralizing the United States in the Chinese civil war. According to a Chinese scholar writing on the mainland in 1996, “CCP leaders [in the fall of 1946] saw clearly that the U.S. basically lacked the strength to intervene in China through military means.” Thus “it no longer made sense to continue purely nominal [good] relations with the United States that were of greater harm than benefit.” Marshall was unaware of this new attitude. Instead, he had again explained the toughening CCP line as a sign that “liberal elements in the Communist Party” were “losing control and the radicals [were] becoming the leaders.” But he continued to believe the top leaders – Mao, Zhou, and company – were still acting in good faith. To Chiang, Marshall and Stuart’s continuing notion that the Communists would truly compromise their revolutionary objectives was like “trying to catch a fish in a tree.” By September [1946], government forces had taken over most of those localities and railways outside of Manchuria that the Generalissimo had demanded the Communists abandon after the cease-fire. The government offensive since July had been far more successful than Marshall had anticipated, but the victories had come at a high cost. According to a Nationalist general, the government had lost “one fifth of its troops and enough U.S.-supplied ammunition and equipment to organize 18 new divisions.” As the chill of autumn crept deeper into Manchuria, relations between Marshall and the Generalissimo grew testier. Marshall spoke increasingly roughly to the Chinese leader. He told him the only thing holding China together was Chiang’s prestige, which was rapidly deteriorating. When Chiang questioned what a group of Harvard professors who had protested the Kunming assassinations knew about the circumstances, Marshall, obviously alluding to Chiang’s limited formal education, replied that they “were more than a bunch of military high school graduates.” Meanwhile, Marshall’s relations with Zhou [Enlai] remained cordial, even close. One day, complaining to Zhou about Communist anti-American propaganda, he again inexplicably leaked an intelligence source, saying that the United States regularly intercepted weekly “propaganda orders from Moscow to the Communist units in Shanghai and Shanghai’s replies.” Marshall explained to Beal that he knew that as a result of this comment to Zhou the United States would “lose that [intelligence] source,” but “we know it [the information] anyway.” Still, it was another serious slip of the tongue, reflecting the casual and relaxed relations between Zhou and Marshall.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 358-359

“To slow the avalanche in the rapid fall of the yuan, Chiang’s government had tried pegging wages to the cost of living, freezing prices and wages, and rationing industrial materials as well as consumer goods. But nothing worked. A standard sack of rice sold for 6.7 million yuan in June 1948 and 63 million yuan in August. That month, the government announced a new currency called the gold yuan and a new law that required citizens to turn in all the gold and silver bullion they held in addition to the old currency, the *fabi* yuan. The rate of exchange was 3 million *fabi* to one gold yuan. Nanking announced that it would distribute no more than 2 billion of the new yuan and it banned wage and price increases as well as strikes and demonstrations. Chiang appointed his son, Ching-kuo, to implement the program in the Shanghai area. Ching-kuo established control over the six or more police and intelligence organizations in the city and cracked down hard on speculators and hoarders, including prominent businessmen and those connected to the Green Gagne. He arrested the head of the Finance Ministry’s Currency Department in Shanghai and a number of other high officials for illegal smuggling of foreign currency and gold to Hong Kong. After that, the Shanghai banks turned over large amounts of foreign currency and gold bullion reserves. Ching-kuo, who repeatedly denounced the depredations of the rich, became a popular figure in the city. He emphasized that the KMT was the party of social revolution and his intent was not only to stamp out economic crimes, but also to end the unequal distribution of wealth. Ching-kuo’s crackdown kept the new currency under control in Shanghai for a few weeks. Among those he arrested was the son of Du Yuesheng; after making a substantial payment to the government, Du was allowed to close his company and join his father, who had decamped to Hong Kong. Before leaving town, Du gave Ching-kuo a list of companies owned by David Kung – Madame’s nephew, the son of Ai-ling and H.H. – that were illegally storing goods. Ching-kuo put David Kung under house arrest, but [Soong] Mayling traveled immediately to Shanghai and met with the two step-cousins....After some negotiation, the young Kung reportedly turned over US\$6 million to the government, then left for Hong Kong. Shortly thereafter he joined his parents, who had fled to New York a year earlier.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 386-387



Fu Zuoyi (left), Generalissimo Chiang Kai-shek (center), and Wei Lihuang meet in Peiping (Peking), China in November 1948.



Conscripts for the Chinese Nationalist government's final resistance in Peking against the Chinese Communists stand in formation at the Forbidden City in Peking, Republic of China on December 1948. (Henry Cartier-Bresson from Magnum)



Chinese Communist troops enter Peking in February 1949. (Photo: Jim Burke for Life)

“In August, back in Taiwan, Chiang read reports of the release in Washington of the State Department’s thousand-page publication popularly known as the *White Paper*, which set out to explain the course of Sino-American relations from 1944 to the collapse of the Nationalist government on the mainland, to the imminent communization of China. It strove to be objective, but its drafters shared a deep dislike of Chiang and the Nationalists. Except for the turnover of Japanese arms to the PLA, they did not discuss the Soviets’ essential role in Mao’s remarkable triumph. Chiang himself did not disagree with the main conclusion of the *White Paper*. He had publicly admitted that the unfathomable failures of his regime were the principal cause of its own defeat – and even his first private expositions on the subject after his “retirement” took the same line. But unlike the State Department, he believed that those failures would not have led to the collapse of the KMT without the support the Soviet Union had given the Communists. He was not the only one to disagree with the *White Paper*’s conclusions. U.S. Secretary of Defense Louis A. Johnson, an avid proponent of aiding Chiang, refused to have the Defense Department identified in any way with the publication.” – *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 415

“In January [1949], George Marshall resigned as Secretary of State because of ill health and Truman named Under Secretary Dean Acheson to replace him. Acheson’s thoughts on mot matters, including China, were similar to those of Marshall. On January 12, speaking at the National Press Club in Washington, Acheson not surprisingly again put the blame for the “loss” of China squarely on the shoulders of Chiang Kai-shek. Even more upsetting to Chiang, when he read Acheson’s comments, was his definition of the essential U.S. defense line in the Pacific as running from the Aleutians, though Japan, the Ryukyus, and the Philippines. South Korea and Taiwan were not specifically mentioned but both were pointedly outside the defense line – even though both countries were being threatened by Soviet-supported military forces.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 424-425



Exhausted Chinese Nationalist soldiers await transportation out of Nanking in 1949.
(Photo: Henry Cartier-Bresson from Magnum)



Residents of Nanking casually observe Communist troops in 1949 following the withdrawal of the Chinese Nationalist government. (Henry Cartier-Bresson from Magnum)



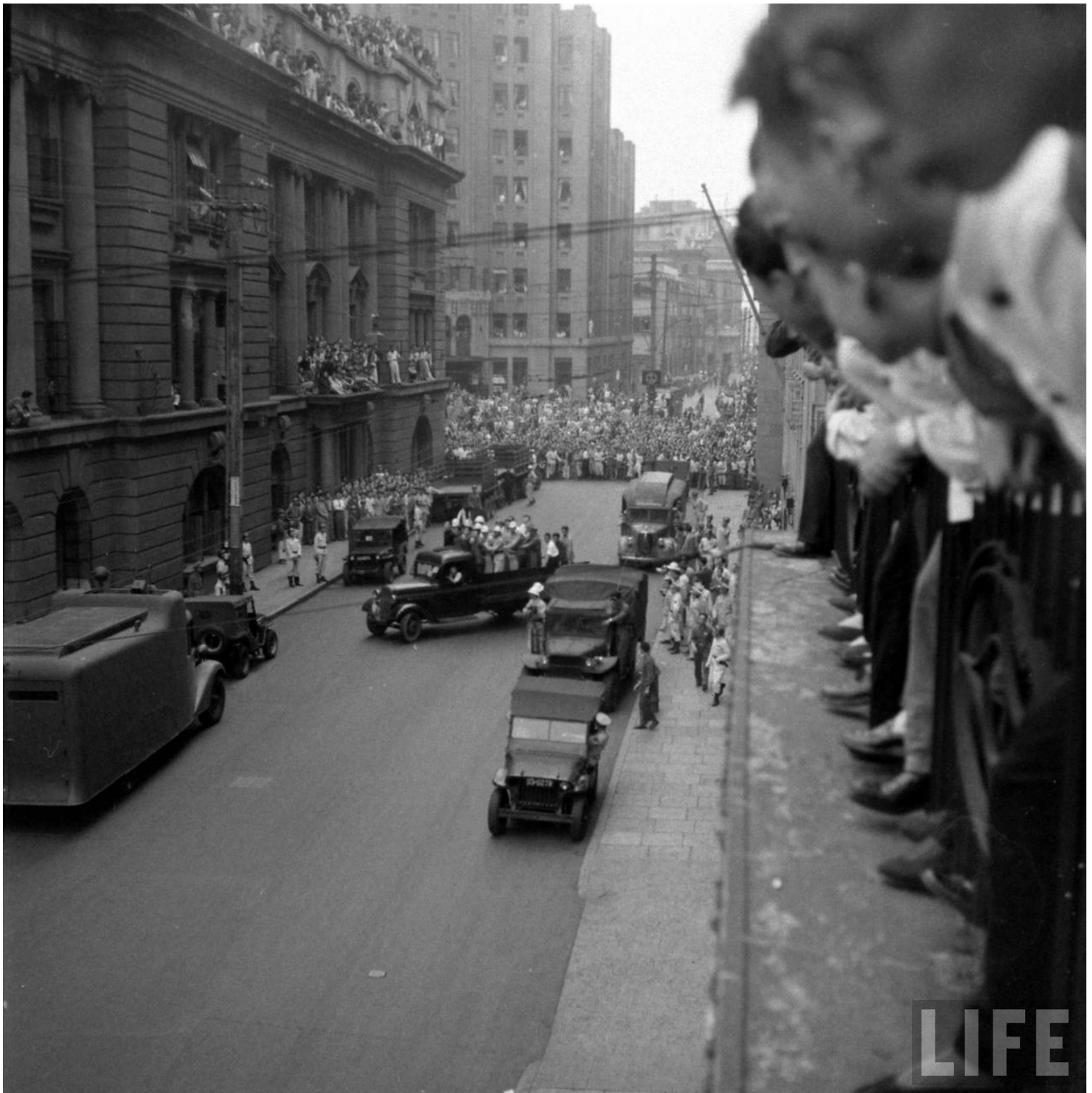
Chinese people engage in a run on the bank in Shanghai, Republic of China in 1949. Generalissimo Chiang Kai-shek ordered the bankers in charge of the Bank of China to remove all gold from its vault and send the gold to Taipei to prevent the Chinese Communists from obtaining the gold. The lack of gold in the Bank of China would lead to hyperinflation and endless bank runs, especially in Shanghai. ("Distribution of Gold in the Last Days of the Kuomintang, Shanghai, China"; Photo by photographer Henri Cartier-Bresson) (Photo: <http://iconicphotos.wordpress.com/2009/04/page/2/>)



Convoys of Chinese Nationalist troops in trucks leave Shanghai, China on April 29, 1949 as the Communists attempt to invade Shanghai. (© Bettmann/CORBIS)



Chinese Nationalist soldiers march toward the port in Shanghai, China in May 1949 en route to the island of Taiwan as the Communists prepare to invade Shanghai. (Photo: Jack Birns/Time Life)



Chinese people congregate at an intersection in downtown Shanghai in 1949 as the Chinese Nationalists prepare to depart the city and evacuate to the island of Taiwan. (Photo: Jack Birns/Time Life)



Chinese people roam the streets of Shanghai in 1949 prior to the Communist takeover of mainland China and the Chinese Nationalist government's evacuation to the island of Taiwan. (Photo: Jack Birns/Time Life)



Nationalist Chinese troops, evacuated from towns along the Shanghai-Nanking Railway, arrive in Shanghai in army trucks on May 2, 1949. (© Bettmann/CORBIS)



A group of Chinese Nationalists exterminate suspected Communist agents with revolvers, pistols, and "the barrel of a gun" in Shanghai, China on May 16, 1949 as Mao and the Chinese Communists prepare to invade Shanghai. Chiang Ching-kuo arrested the son of "Big Ears" Tu Yuesheng while he was in charge of stabilizing the economy of Shanghai in 1948. (Photo: Bettmann/CORBIS)



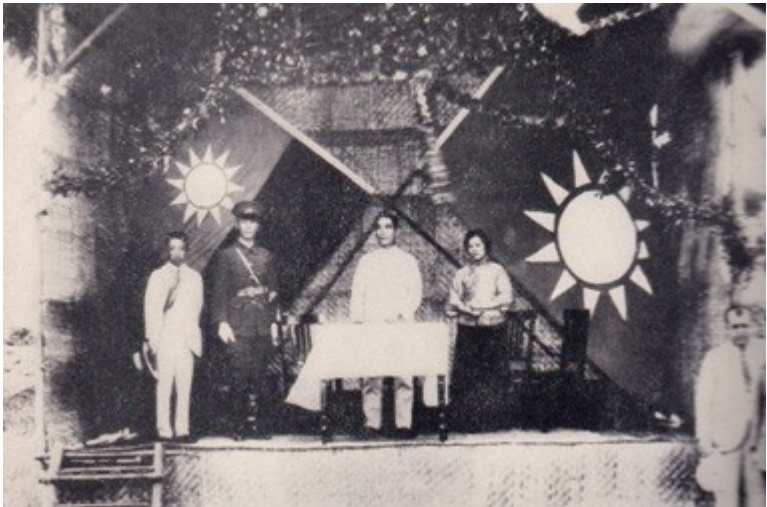
A group of Chinese Nationalists exterminate suspected Communist agents with revolvers, pistols, and "the barrel of a gun" in Shanghai, China on May 16, 1949 as Mao and the Chinese Communists prepare to invade Shanghai.



With Chinese Communist troops within a few miles of Shanghai, Chinese Nationalist troops busily build sandbag pillboxes in the heart of Shanghai on May 16, 1949. (© Bettmann/CORBIS)



Nationalist Chinese army troops march out of Canton, China for the last time on October 19, 1949. (© Bettmann/CORBIS)



Canadian Jewish Zionist political adviser Morris Cohen (right) (informally known as *Ma Kun*) with Chiang Kai-shek (in uniform), Sun Yat-sen and his wife, Soong Qingling in Whampoa, 1924. (Courtesy of Joe King, Canada)



Morris Cohen (standing behind Mao) with Communist party leaders in Mainland China. (Collection of Victor D. Cooper, courtesy of Daniel S. Levy)



Morris Cohen with Yu Yu-Jen, President of the Control Yuan. (Courtesy of Cyril Sherer)



Morris Cohen (left) and Generalissimo Chiang Kai-shek at one of their few meetings in Taiwan. (Victor D. Cooper Collection, courtesy of Daniel S. Levy)



An aerial view of Canton, Republic of China on August 8, 1949 (Photo: Jack Birns/Time Life)



A group of Chinese men march in a procession in Canton, Republic of China on August 8, 1949. (Photo: Jack Birns/Time Life)



A group of Chinese men and boys march in a procession in Canton, Republic of China on August 8, 1949.
(Photo: Jack Birns/Time Life)



Russian citizens stand outside the entrance to the Soviet Embassy in Canton, Republic of China on August 8, 1949. Generalissimo Chiang Kai-shek and his Nationalist Chinese government maintained diplomatic relations with the Soviet Union until October 1949. (Photo: Jack Birns/Time Life)



An American Embassy official displays the embassy placard in front of the American Embassy in Canton, Republic of China on August 8, 1949. The American Embassy was relocated from Nanking to Canton in 1949. The American Embassy was relocated to Taipei on the island of Taiwan in 1950. (Photo: Jack Birns/Time Life)



A Chinese guard stands at the entrance of Standard-Vacuum Oil Company office in Canton, Republic of China on August 8, 1949. (Photo: Jack Birns/Time Life)



Canton, Republic of China on August 8, 1949 (Photo: Jack Birns/Time Life)



A group of Chinese refugees board a Central Air Transport flight at an airport in Canton, Republic of China on August 8, 1949. The Chinese Communists have already occupied Shanghai on August 8, 1949. (Photo: Jack Birns/Time Life)



Two unidentified Chinese Nationalist officials pose for a portrait in Canton, Republic of China on August 8, 1949.
(Photo: Jack Birns/Time Life)



A group of Nationalist soldiers march in Canton, Republic of China on August 8, 1949. (Photo: Jack Birns/Time Life)



An American battleship is docked at Canton, Republic of China on August 8, 1949. (Photo: Jack Birns/Time Life)



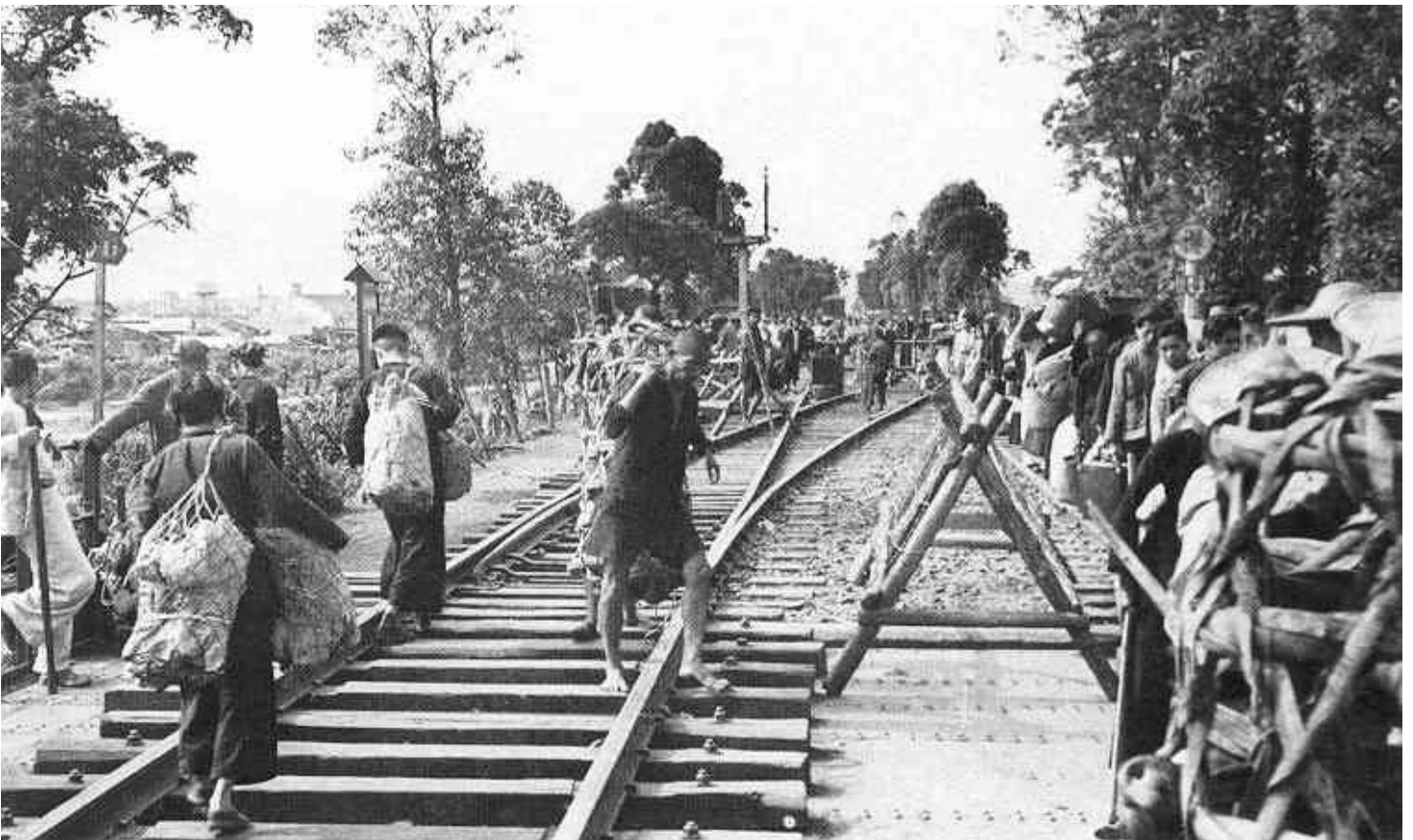
An American battleship is docked at Canton, Republic of China on August 8, 1949. (Photo: Jack Birns/Time Life)



(NY27-June 13)ANTI-COMMUNIST PARADE IN CANTON--A line of trucks filled with coolies and government party workers parades through the streets of Canton, Nationalist China's new capital, in an anti-Communist demonstration. Leading trucks carried pictures of Sun Yat Sen, Chiang Kai-Shek and Li Sung Jen. Occupants of other trucks shouted denunciations of Communists, whose troops are now working their way southward toward the big south China city. (AP Wirephoto)(jsb22227stf-cpg)1949.



Canton, Republic of China in March 1949 (Photograph by Carl Mydans)



Chinese refugees (at right) stream into Hong Kong from Communist China in 1950, passing others going the opposite direction (Wide World photo)



Some of Chiang Kai-Shek's Nationalist Chinese troops stream across the border into northern Vietnam in 1949. (Jeffrey Blankfort—Jereboam/ *The Vietnam Experience: Passing the Torch*, p. 35)

“In late September, the Generalissimo finally conceded that Mukden could no longer be held. On the 25th, he ordered the garrison commander, Wei Li-huang, to evacuate the city and relieve the hard-pressed garrison at Chinchow. But Wei did not fancy his chances against Lin Piao's victorious forces. For a fortnight, he hesitated, then obeyed, and paid the penalty of hesitancy, for his twelve divisions were attacked by superior PLA forces and routed. Wei himself escaped by air and was later court-martialed. He kept his life, however, and joined the Communist regime in 1955. (When he died four years later, his soul was rewarded with a splendid funeral.) Thoroughly demoralised now, the Nationalist commanders began to change sides. The defender of Tsinan, the capital of Shantung, General Wu Hua-wen, surrendered with most of his garrison to Ch'en Yi's attacking force. The provincial governor, General Wang Yao-wu, soon followed suit. In Manchuria, the collapse followed rapidly after Wei Lihuang's defeat. On 23 October, starving Changchun was evacuated, and Mukden itself fell on 2 November. Some 300,000 Nationalist troops were in Communist hands. In conversation with Eric Chou in Hong Kong shortly after the fall of Manchuria, the veteran journalist Hu Lin made a penetrating analysis of the reasons for the Nationalist collapse, which he attributed unreservedly to major psychological blunders on Chiang Kai-shek's part. The Generalissimo's treatment of the Young Marshal, Chang Hsueh-liang, had disgusted the population of Manchuria. Chang's long captivity had made him more popular than ever, and deepened Chiang's own unpopularity and the mistrust in which he was held. If he had had the sense to release Chang Hsueh-liang and send him home, the Young Marshal could have rallied popular support for the Nationalist cause. **There were other reasons for Chiang's unpopularity: the arbitrary re-division of the province of Manchuria had offended native sentiment, since the Manchurians themselves had not been consulted. Moreover, the new governors appointed from Nanking with authority over the re-divided provinces were generally rejected by the natives, who regarded them as representatives of the “Southerners” – that is, the Central Government. Again, many non-natives had been appointed to key posts, so that the advent of the Nationalist Government was felt as a form of occupation. The looting, the corruption, the bribery and brutalities of the Kuomintang “take-over” had made many Manchurians wish the Japanese were still there. The witch-hunt conducted by KMT officials for collaborators and “puppets” had driven many people to turn to the Communists. But the worst blunder of all was probably the disbanding of 300,000 Chinese troops of the puppet regime in Manchukuo by General Ch'en Ch'eng on Chiang Kai-shek's orders. Without means of support, they had flocked to the Communist banner, and Lin Piao had welcomed them with open arms. Indeed, they became the backbone of his “United Democratic Army”. Some years later (in Hong Kong in 1957), Ch'en Hsiao-wei gave Eric Chou his military historian's gloss on Hu Lin's analysis. He, too, thought the disbanding of the 300,000 “puppet” troops was the worst blunder-for which (probably unfairly) he blamed Ch'en Ch'eng rather than Chiang Kai-shek. Once they had joined the Communists, they became the “local forces” defending their own territory, whereas the Central Army forces were the “outsiders” in the eyes of the peasants. The ex-puppets knew the geography of Manchuria intimately; not only were Chiang's new divisions ignorant of the territory, but they were given no time to acclimatize themselves. Highly trained and with American equipment, they had proved themselves in the steaming jungles of Burma. Most of them were southerners, and they suffered intensely in the severe cold. There was another and purely military reason for the great Nationalist debacle. Strategically, the Nationalists had been thrown on the defensive from the outset. The Russians had handed the cities back to them, but abandoned the countryside to the Communists. In Chinese military parlance, the Nationalists merely held the “points”, while the Communists controlled the “plane”. The “points” could be isolated and encircled; but the Nationalists could not hope to sweep over the “plane”. All they could do was to try to keep the “points” linked by safeguarding the “lines” – that is, the railway and the roads-so that their strength, already numerically inferior, was stretched to the breaking point.** Desperately, Chiang Kai-shek sent his wife to the United States on 1 December to plead for further American aid. She saw Marshall on the 3rd, and Truman on the 10th, but neither man was sympathetically disposed. She had brought with her demands of a magnitude to match the scale of her country's disasters. They included a request for an economic and military aid programme totalling \$3,000,000,000 over three years. In fact, Paul G. Hoffman, head of the Economic Cooperation Administration, whom Truman had sent to Shanghai, returned on 20 December with negative recommendations; and on the 21st, the Americans suspended their reconstruction aid programme for China. Disinclined to come home in failure, Mme. Chiang remained in America for nearly a year, pleading the Nationalist cause with unflagging ardour. But to no avail. Earlier, but without malice, the Americans had delivered an unwitting but cruel blow to Nationalist hopes in North China. Perhaps the best of the Nationalist generals, Fu Tso-yi, defended the Peiping-Tientsin area with eleven well-trained armies. Of these, however, four entirely lacked equipment and three were inadequately armed. In the summer of 1948, American aid officials, increasingly disenchanted with Chiang Kai-shek, negotiated separately with Fu Tso-yi, whom they proposed to arm so that he could stabilise the defence of North China. Ultimately, they thought, he could open a relief corridor to the Nationalists in Manchuria. Early in July, they recommended that \$16,000,000 in military supplies should be sent to General Fu in Tientsin. Although the Joint Chiefs of Staff concurred, the first shipment did not arrive until 29 November. When it did, it was discovered that most of the arms on board were unusable, for lack of vital parts. **Although Fu Tso-yi had been regarded as one of the most steadfast and capable of Nationalist commanders, the fiasco of the arms deliveries shattered the morale of his forces. Tientsin fell on 14 January 1949, leaving Peiping [Peking] defenceless, and without a sea route for evacuation. Rather than subject the northern capital, with its great Chinese cultural heritage, to Communist bombardment, Fu handed the city over on 21 January, surrendering that day with his armies.”**

– *The Man Who Lost China* by Brian Crozier (1976), p. 316-319

“The acting President soon discovered that his ministers would not take his orders, nor would the army or police. Moreover, he had no money. From his village retreat, Chiang Kai-shek had sent instructions to the Governor of the Central Bank of China, O.K. Yui, to transfer the entire gold reserve of 500,000 ounces to Taipei. By that time, Chiang lacked the constitutional authority to give any such order, but he was obeyed because he was Chiang Kai-shek and because he invoked his authority as Director-General of the Kuomintang. His main object in so doing was undoubtedly to finance continued resistance to the Communists, should they complete their conquest of the Chinese mainland, as Chiang now held to be inevitable. But he was not averse to the side-benefit of depriving Li Tsung-jen of the financial means of governing. The transfer was completed by 20 February 1949. Had the gold remained where it was, there is no doubt that Li would have used it as a bargaining counter in his peace negotiations with Mao Tse-tung. On hearing of the transfer, the acting President flew into a rage and forbade Yui to transfer any further assets to Taiwan. The embargo came just in time to prevent the shipment of a large quantity of pearls, diamonds, and other precious stones confiscated by the Central Government during the war and deposited in the vaults of the Central Bank in Shanghai. When the Communists captured the city later in the year, they took possession of the entire haul. For Li, the immediate situation was that the Central Bank disregarded his requests for cash to meet administrative outgoings. Deprived of its gold backing, the Gold Yuan resumed its vertiginous descent. By the time Li discovered that his government had no money, he had already found out the limits of his personal authority. One thing seemed clear to him: he had a mandate of sorts to talk peace with the Communists. **His first move was to talk the problem over with the Soviet ambassador, General V. I. Roshchin, who readily agreed to offer his good offices – on condition that the Chinese government would undertake to be neutral in the event of a future conflict between America and Russia, and that steps should be taken to eliminate American influence from China.** With the naivety of diplomatic inexperience, he then sent a memorandum on his talk with Roshchin to the American ambassador, Dr. Stuart, on 23 January, requesting that the United States should publicly pledge its support of the National Government. In Chi Kow, the Generalissimo learned of this curious move with wry amusement. He was not surprised when the State Department rejected this attempt to persuade the United States to agree to the elimination of its own influence in China. Intent on peace, Li Tsung-jen was wide open to the persuasions of the “peace brokers” who swarmed in Nanking and Shanghai as the winter ended. One of them was Professor Wu Yu-hou of the Central University; and another was a certain General Li Mingyang, who had been associated with Wang Ching-wei's “puppet” regime. Then there was a member of the Legislative Yuan, Wu Ho-hsuan. All three, and the others, claimed to have “very influential connections” in the Communist hierarchy. However, apart from the instant publicity their claims brought them, and the money they extracted from the acting President, their “brokerage” came to nothing. The “peace brokers” included two members of Li Tsung-jen's own staff: Liu Chung-jung and Huang Ch'i-han, who both claimed to be members of “the Third Influence” – half-way between the Nationalists and the Communists. In time, however, both men turned out to have been underground Communists. **On 22 January, Li Tsung-jen had appointed a committee of five to negotiate with the Communists on behalf of the National Government. Two days later, he proclaimed the end of martial law, the release of political prisoners, and the disbandment of the secret police. And on the 27th, he followed this conciliatory gesture with a telegram to Mao Tse-tung agreeing to the eight-point Communist proposal as the basis of peace talks. It was at this point that the acting President discovered that he was governing in a vacuum. Indeed, he had failed to consult either the Executive Yuan of the KMT's Central Political Committee; nor had he thought fit to inform the Prime Minister, Sun Fo. Furious, Sun Fo repudiated the telegram, declared that he would not be responsible for the acting President's policy before the Legislative Yuan, and announced that he was moving to Canton with his government. The removal duly took place on 5 February, and all government departments were transferred from Nanking except the acting President's office. All governments accredited to the Republic of China were requested to move their embassies to Canton on that date. Stuart declined the request, and so did most of the embassies of the larger powers. To everybody's stupefaction, the only important exception was Roshchin, who found himself, once in Canton, in daily contact with the “bitter enders” of the Kuomintang, including the then Foreign Minister, Wu Tieh-cheng, while the peace group remained in Nanking with Li Tsung-jen. In other ways, too, the absent Generalissimo had crippled his “acting” successor. He had transferred some 300,000 of his most faithful troops to Taiwan, together with “his” navy of twenty-six gunboats and “his” air force. About 900,000 Nationalist troops remained on the mainland, but of these only General Pai Ch'unghsi's 120,000 men were at Li Tsung-jen's disposal, for reasons of ancient comradeship. Both the ordinary police and the secret services took their instructions from the redoubtable Ch'en Li-fu, on behalf of the invisible Chiang Kai-shek. It followed that the acting President's amnesty for political prisoners and disbandment of the secret police remained a dead letter. Li Tsung-jen had thought to gain popularity by releasing the Young Marshal, Chang Hsueh-liang, who had remained in detention since the Sian kidnapping of 1936. But the Young Marshal could not be found: the Generalissimo had had him sent to Taiwan, still in captivity.”**

– *The Man Who Lost China* by Brian Crozier (1976), p. 328-330

The Establishment of the Communist Regime in Peking (October 1, 1949)



Chairman Mao Zedong announced founding of the People's Republic of China at Tiananmen Square in Beijing on October 1, 1949.



People's Liberation Army soldiers march through Tiananmen Square in Peking (Beijing) on October 1, 1949.



A British police inspector (left) stands on his half of the village of Shataukok, China while a Red Chinese Army soldier stands on the right side of the border marker which divides the village in October 1949. (Photo: Jack Birns/Time Life)



Red China's Commissar Mao Tse-tung greets Madame Sun Yat-sen. Madame Sun-Yatsen, whose maiden name is Soong Ching-ling, was the sister of Soong Mei-ling, better known as Madame Chiang Kai-shek.

(Source: China Soong Ching-ling Foundation) <http://scf.cri.cn/1/2008/07/13/2@345.htm>



Madame Sun Yat-sen (center) appears with Mao Tse-tung (2L), Chou Enlai (2R), and Chen Yi (R) [not related to Chen Yi, the "Butcher of Taipei"] at the Zhong Nan Hai in Peking in October 1956. (Source: China Soong Ching-ling Foundation)

<http://scf.cri.cn/1/2008/07/13/2@345.htm>

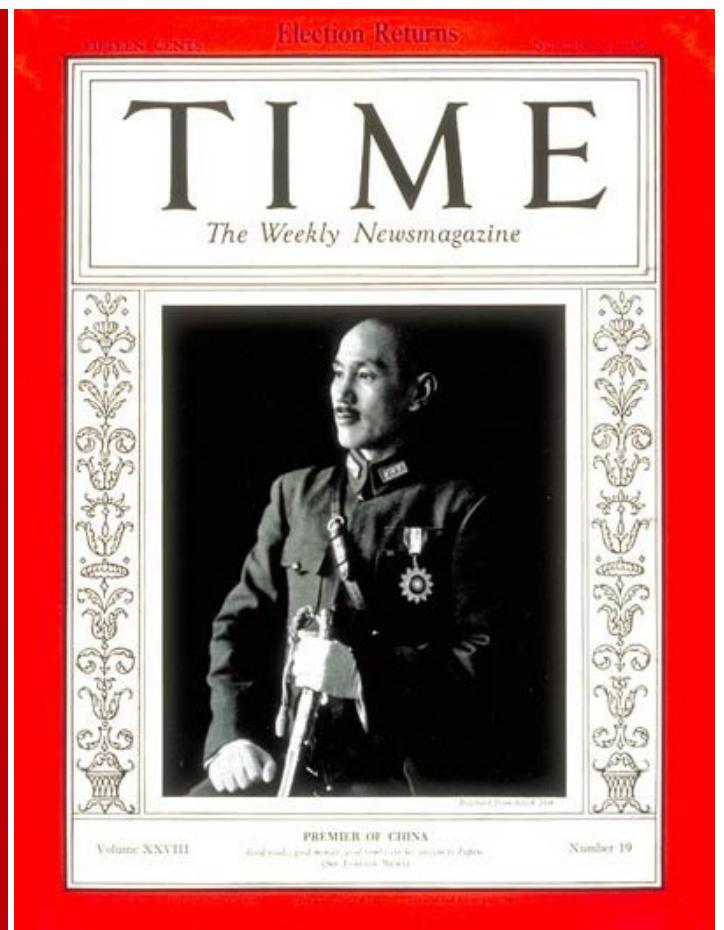


Left to right: Red China's "Chairman" Mao Tse-tung, Soviet officer Bulganin, Soviet Union's dictator Josef Stalin, and East Germany's Communist Party chief Walter Ulbricht celebrate Stalin's 70th (or 71st) birthday at the Kremlin in Moscow in December 1949. The Soviet Union tested its first atomic bomb in 1949.



Left photo: Mao Tse-tung greets North Korea's Commissar Kim Il Sung. Kim Il Sung's invasion of South Korea in June 1950 prevented Mao Tse-tung from invading the island of Taiwan and eliminating the Republic of China.

"Politics is war without bloodshed while war is politics with bloodshed." – Mao Tse-tung



Chairman Mao Tse-tung (left, January 13, 1967 edition) and Generalissimo Chiang Kai-shek (right, November 9, 1936 edition)

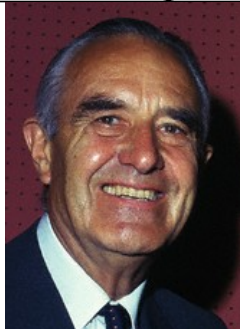


Chou Enlai (left, May 10, 1954 edition) and Governor K.C. Wu (right, August 7, 1950 edition)

Prominent Yale University Graduates and Their Occupation during the Collapse of the Republic of China in 1949



Dean G. Acheson
B.A. Yale 1915
U.S. Secretary of State
(1949-1953)



William Averell Harriman
B.A. Yale 1913
U.S. Ambassador to the
Soviet Union (1943-
1946);
U.S. Secretary of
Commerce (1946-1948)



Robert A. Lovett
B.A. Yale 1918
Deputy Secretary of
Defense (1949-1951);
Under Secretary of State
(1947-1949)



Eugene Meyer
B.A. Yale 1895
Chairman of the board of
The Washington Post Co.
(1947-1959)



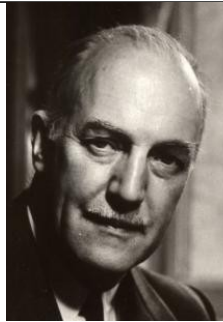
Russell C. Leffingwell B.A.
Yale 1899
Partner of J.P. Morgan &
Co. (1923-1950);
Chairman of the Council
on Foreign Relations
(1946-1953)



Robert A. Taft
B.A. Yale 1910
U.S. Senator
(R-Ohio, 1939-1953)



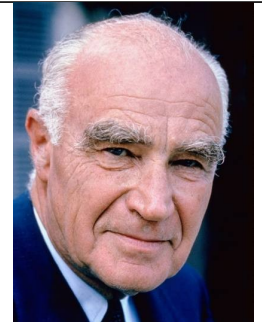
John Martin Vorys
B.A. Yale 1918
U.S. Congressman
(R-Ohio, 1939-1959)



Charles Seymour
B.A. Yale 1908
President of Yale
University (1937-1950)



B. Brewster Jennings
B.A. Yale 1920
President of Socony-Mobil
Oil Co. (1944-1955)



Henry R. Luce
B.A. Yale 1920
Editor-in-Chief of *Time*
magazine (1923-1964)



Robert Ten Broeck
Stevens
B.A. Yale 1921
Chairman of Federal
Reserve Bank of New
York (1948-1953)



Prescott S. Bush
B.A. Yale 1917
Partner of Brown Brothers
Harriman & Co. [bank]
(1931-1972)



William Vincent Griffin
B.A. Yale 1912
President of English-
Speaking Union of the
United States
(1947-1957)



W. Stuart Symington
B.A. Yale 1923
Secretary of the Air Force
(1947-1950)



William McC. Martin Jr.
B.A. Yale 1928
Assistant U.S. Secretary
of the Treasury for
International Affairs
(1949-1951)



E. Roland Harriman
B.A. Yale 1917
Chairman of the board of
Union Pacific Railroad Co.
(1946-1969)



George L. Harrison
B.A. Yale 1910
Chairman of the board of
New York Life Insurance
Co. (1948-1954)



Harold Stanley
B.A. Yale 1908
Partner of Morgan,
Stanley & Co. [bank]
(1941-1955)



Allen Wardwell
B.A. Yale 1895
Member of Davis, Polk,
Wardwell (1909-1953)



Charles M. Spofford
B.A. Yale 1924
Member of Davis, Polk &
Wardwell [law firm] (1940-
1950, 1952-1973)



Senator Robert A. Taft, Yale President Charles Seymour, and Dean Acheson attend a Yale Corporation meeting on January 8, 1949. Dean Acheson would become the Secretary of State thirteen days later, on January 21, 1949. Taft and Seymour were members of Skull & Bones; Acheson was a member of Scroll & Key.



Averell Harriman (left) and Secretary of Defense Robert A. Lovett (center) chat with Secretary of State Dean Acheson in January 1951. (Photo by Lisa Larsen/Time Life Pictures/Getty Images)

Nationalist Chinese Retreat to Taiwan and Nationalist Rule of Taiwan (1950-present)



Officers are photographed at the ceremony for Taiwan's retrocession to the Republic of China (ROC) on October 25, 1945, marking the surrender of Japanese forces on the island of Taiwan at the end of World War II.

(Photo: Courtesy of Academia Historica) <http://www.taiwaninsights.com/2010/12/30/test/>

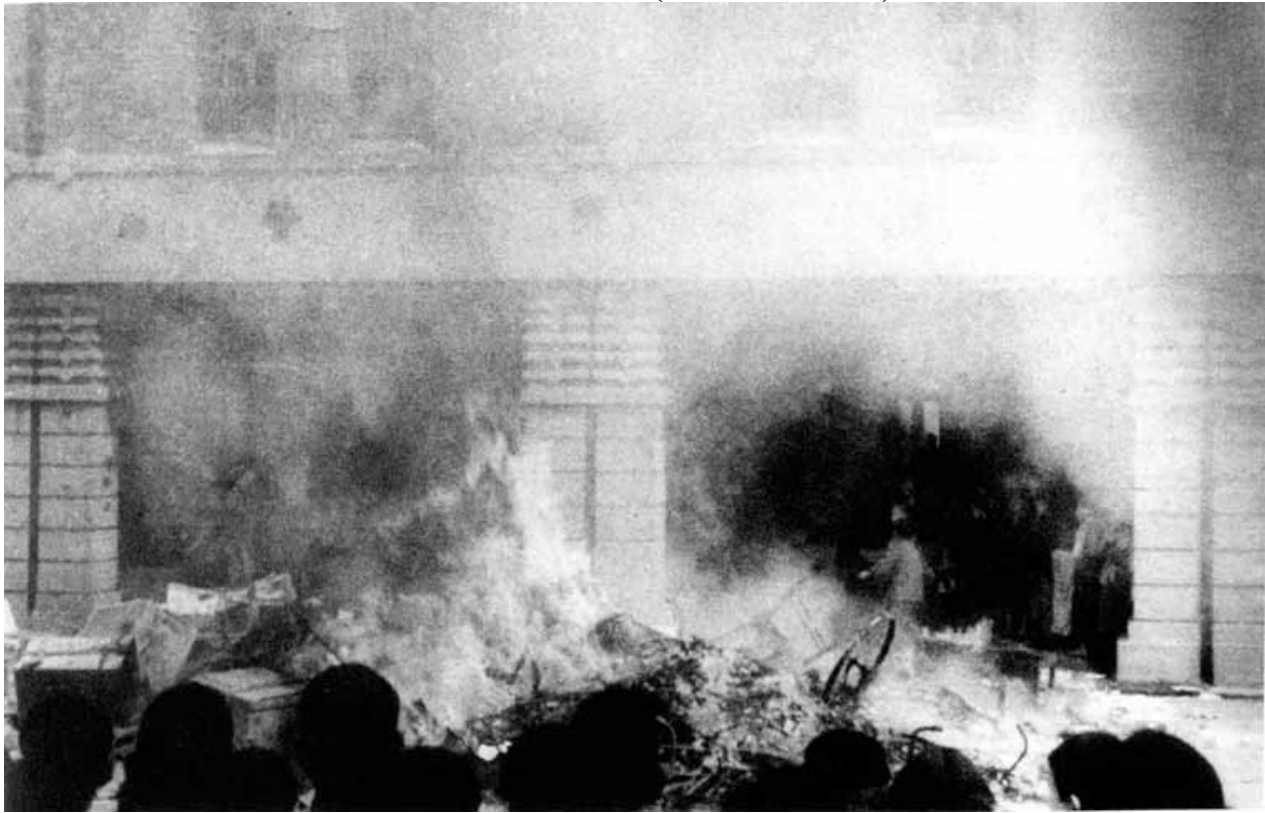


The Bank of Taiwan (臺灣銀行) headquarters in Taipei, Taiwan, Republic of China. The Bank of Taiwan, established by the Japanese government in 1899 following the First Sino-Japanese War, served as a de facto central bank of the Republic of China from 1949 to 1961.



Nationalist Chinese Army officer Chen Yi (right) accepts the surrender of Imperial Japanese Army General Rikichi Andō (left), the last Japanese Governor-General of Taiwan, at Taipei City Hall in Taipei, Taiwan, Republic of China on October 25, 1945. **Chen Yi, informally known as the “Butcher of Taipei”, served as the Governor General of Taiwan province during the 2/28 Incident on February 28, 1947; Chen Yi was executed for treason in Taipei by the Kuomintang on June 18, 1950.**

The 2/28 Incident (2/28 Massacre)



An angry mob storms the Yidingmu police station in Taipei on February 28, 1947. An estimated 18,000-28,000 people on Taiwan perished following the 2/28 Incident.

“On the evening of February 27, 1947, Tobacco Monopoly Bureau enforcement team in Taipei went to a neighborhood on present-day Nanjing West Road, where they confiscated contraband cigarettes from a 40 year old widow named Lin Jiang-mai at the Tianma teahouse. They took her life savings of the non-taxed (illegal) cigarettes. She begged for their return, but one of the agents hit Lin's head with a pistol, prompting the surrounding Taiwanese crowd to challenge the Tobacco Monopoly agents. As they fled one agent fired his gun into the crowd, killing one bystander. The crowd, which had already been harboring many feelings of frustration from unemployment, inflation and corruption of the Nationalist Government, reached its breaking point. The crowd protested to both the police and the gendarmes, but was mostly ignored. Violence flared the following morning on February 28. Security forces at the Governor-General's Office, armed with swords (?), tried to disperse the crowd. Some fired on the protesters who were calling for the arrest and trial of the agents involved in the previous day's shooting, resulting in several deaths. Formosans took over the administration of the town and military bases on March 4 and forced their way into local radio station to protest. By evening, martial law had been declared and curfews were enforced by the arrest or shooting of anyone who violated curfew. For several weeks after the February 28 Incident, the Taiwanese civilians controlled much of Taiwan. The initial riots, similar to the Tiananmen Square protests of 1989, were spontaneous and somewhat violent. Within a few days the Taiwanese were generally coordinated and organized, and public order in Taiwanese-held areas was upheld by volunteer civilians organized by students, and unemployed former Japanese army soldiers. Local leaders formed a Settlement Committee, which presented the government with a list of 32 Demands for reform of the provincial administration. They demanded, among other things, greater autonomy, free elections, surrender of the ROC Army to the Settlement Committee, and an end to governmental corruption. Motivations among the various Taiwanese groups varied; some demanded greater autonomy within the ROC, while others wanted UN trusteeship or full independence. The Taiwanese also demanded representation in the forthcoming peace treaty negotiations with Japan, hoping to secure a plebiscite to determine the island's political future. Outside of Taipei, it was less peaceful. Mainland Chinese also got beat up. Public places like banks and post offices were looted. Some had to flee to Military Police for protection. A few smaller groups formed, including the Communist inspired "27 Brigade". They looted 3 machine guns, 300 rifles, hand grenades from military arsenals in Taichung and Pingtung. The armed Taiwanese shot or injured 200 Nationalist Army soldiers which quickly precipitated the house arrest or execution of those who participated in the rebellion. The Nationalists authorities under Chen Yi stalled for time while assembling a large military force in China in Fujian province. Upon arrival on March 8, the ROC troops launched a crackdown. According to the New York Times on March 29, 1947: "An American who had just arrived in China from Taihoku [Taipei] said that troops from China arrived there on March 7 and indulged in three days of killing. For a time anyone seen on the streets breaking the curfew could be shot at. Homes were broken into and occupants got arrested for questioning. In more isolated sections, such as the Racing Track or Botanical Garden, execution shots were heard.”

Source: http://en.wikipedia.org/wiki/228_Incident



Generalissimo Chiang Kai-shek (right) greets President of the Republic of Korea Syngman Rhee (center) in Korea in 1949. (Photo: <http://chinarepublicana.blogspot.com/2010/06/1949-un-ano-crucial-en-china.html>)



Generalissimo Chiang Kai-shek (left) visits Philippines' President Elpidio Rivera Quirino in Manila, Philippines on July 11, 1949. (Photo: <http://chinarepublicana.blogspot.com/2010/06/1949-un-ano-crucial-en-china.html>)



Generalissimo Chiang Kai-shek of the Republic of China (4th left) meets with Republic of Korea's President Syngman Rhee (center) and Republic of Korea's Defense Minister Lee Beom-Seok (standing behind Rhee, wearing glasses) for a three-day meeting at Chinhae, Korea in August 1949. Chiang Kai-shek had recently fled mainland China for the island of Taiwan after Communist Chinese forces defeated his army and occupied the Chinese mainland.

(Photo: [U.S. Coast Guard](http://www.uscg.mil/history/articles/Korean_War.asp)) (Source: http://www.uscg.mil/history/articles/Korean_War.asp)



U.S. Army General Douglas MacArthur (left) greet Generalissimo Chiang Kai-shek in Formosa in July 1950.

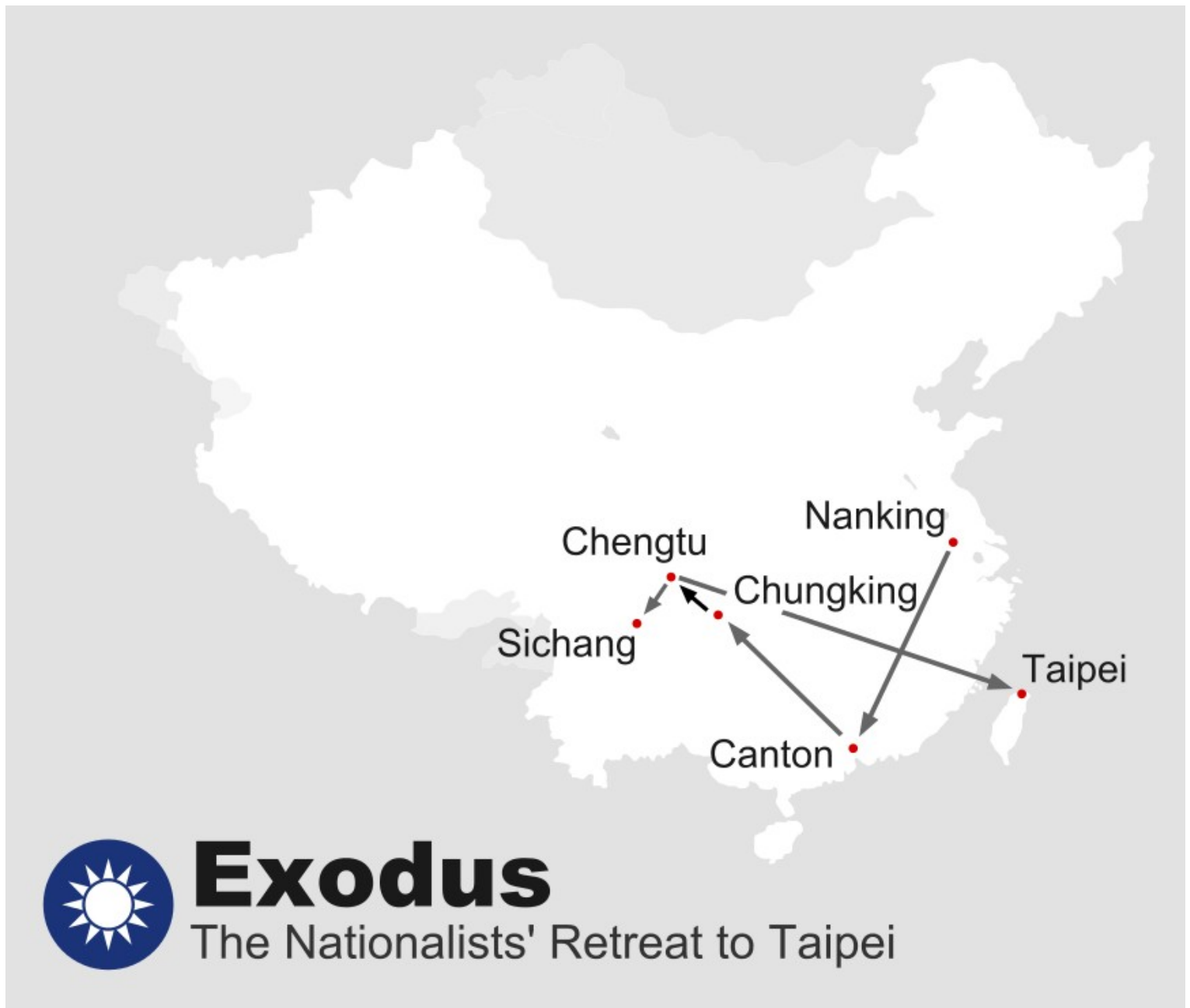
(Photo: <http://thegeneralissimo.net/photos.htm>)



General Douglas MacArthur greets Chiang Kai-shek and Madame Chiang on July 31, 1950, as he visits the last Nationalist stronghold of Taiwan. MacArthur's personal visit angered President Truman because it implied the United States was forging an alliance with the Nationalists against the Chinese Reds in the early stages of the Korean War. AP/Wide World Photo.

U.S. Army General Douglas MacArthur greets Generalissimo Chiang Kai-shek, the President of the Republic of China, and his wife Madame Chiang Kai-shek on the island of Taiwan on July 31, 1950.

(Photo: AP/Wide World Photo/*The Strange Connection: U.S. Intervention in China, 1944-1972* by Bevin Alexander)



A map of the Nationalist Chinese government's capitals in 1949

“Meanwhile, Liu Bocheng’s and Deng Xiaoping’s PLA columns were closing in on the city. Chiang delayed leaving Chungking because he wished to give the remnants of Hu Zongnan’s once mighty army of more than 300,000 the chance to complete their flight from the Sichuan-Shaanxi border area to Chengdu. He was outraged at the bald refusal to follow orders of some generals in the region, like Song Xiliang, whose 100,000 troops “never fired a shot.” **Chiang deployed what forces he had along the river, but on November 28 [, 1949] he [Chiang Kai-shek] and [his son] Ching-kuo visited the government buildings in Chungking and found them empty – all senior provincial and city officials had fled. That night, Chiang’s party could hear gunfire a few miles away. As in other besieged cities that he had abandoned over the years, Chiang flew out of Chungking for the last time at nearly the final hour. Perhaps no other leader in modern times had escaped from so many last stands. The Chiangs lingered at their next stop, Chengdu, for more than two weeks.** Father and son paid their respects at the grave of Dai Jitao, the father of Wei-kuo. The previous February, Dai, in deep depression over the triumph of the Communists, had committed suicide with an overdose of sleeping pills. On December 8 [, 1949], the Nationalist government formally moved to Taipei, and the American embassy followed. Still in Chengdu, Chiang finally received reports from Taipei that Consul General Macdonald had on instruction categorically stated that the United States would not come to the aid of the Nationalists. “U.S. China policy is so unwise and so wrong,” Chiang told his journal, “that I worry about the security of the United States.” Chiang asked all the Nationalist generals in the area to come to a meeting to discuss the defense of Chengdu, but some simply refused. From Kunming, Lu Han suspiciously suggested that the Generalissimo remain in Chengdu five more days. Expecting another kidnapping, Chiang’s entourage at 2:00 a.m. on December 10 woke him and proposed that the party leave quietly through the rear gate of the army academy where they were staying. Chiang refused, saying he would leave as he came in. He and Ching-kuo, allegedly singing the national anthem, walked out the main gate and were driven to the airport. They took off in a DC-4 heavily loaded with fuel. Flying by dead reckoning, the plane droned for hours over the vast territory now controlled by the Communists and landed in Taipei in mid-morning.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 418-419

“There were two other things Chiang Kai-shek had on his mind: a new diplomatic offensive designed to force the United States to resume full support of Nationalist China, and a careful study of last-ditch defence possibilities in the wilder regions still under Nationalist control. On the diplomatic front, Chiang flew to Baguio in the Philippines on 10 July, to meet President Elpidio Quirino. He brought with him a plan for an anti-Communist alliance of all independent nations in East Asia. Quirino agreed, and next day a joint communique launched the plan. On 7 August, the Generalissimo followed up with a flight to Chinhaï, in South Korea, where he met President Syngman Rhee. In a joint letter to President Quirino, the two statesmen called on the Philippine President to convene a conference at Baguio at which interested states could be invited to join the proposed union. Nothing came of this late initiative. Later in the month, Quirino went to Washington, where Secretary of State Acheson firmly discouraged Chiang Kai-shek's proposal. Invitations to the conference were never issued. Between his talks with Quirino and Rhee, Chiang Kai-shek had paid a fleeting visit to Canton – which he had not seen since 1936--where he delivered what turned out to be the first of a series of pep-talks. Addressing a meeting of the Central Executive Committee of the Kuomintang on 16 July, he declared:

I feel ashamed to be back in Canton in the present circumstances of retreat and failure. I cannot but admit that I must share a great part of the defeat. I am appalled at the existence of gambling and opium smuggling in Canton under the very nose of the government. But we must hold Canton, our last port – the last place from which we can use both our navy and air force.

Rhetorically, the Generalissimo added: “I am ready to perish with the city.” But he rather spoiled his effect by leaving on the 21st.

The day of his Canton speech may be said to mark his active resumption of a leading role in Nationalist politics, for that day the Kuomintang set up the Supreme Political Council, with Chiang as Chairman. At the Canton meeting, Li Tsung-jen had clashed with Chiang Kai-shek on strategy in the dark period ahead. Li backed Pai Ch'ung-hsi's plan to hold Central China-Hupeï, Hunan, Anhwei, and Kiangsi-with Kwangtung and Kwangsi as the rear. Li had therefore pressed for the return of the Nationalist air force from Taiwan. Chiang, however, was determined that if all else failed, Taiwan itself should be impregnable. He refused to authorise the transfer of the air force, and Li bowed to him.”

– *The Man Who Lost China* by Brian Crozier (1976), p. 340-341

“Although the Generalissimo could still get his way in military matters, he had no immediate control over the government's decisions. In July the acting President and his ministers abolished the discredited Gold Yuan and introduced a new paper currency backed on the Silver Yuan. It was high time, for civil servants and soldiers alike demanded payment in something harder than worthless banknotes. For three and a half months, the government ransacked the deposits of the Central Bank in Taiwan and paid out more than U.S.\$120,000,000 in gold and silver coins and foreign currencies. The fall of Canton on 15 October ended this drain on Chiang Kai-shek's “survival fund”. On the 11th, Li Tsung-jen had flown to Chungking, while Yen Hsi-shan had gone to Taiwan. Within the next few days, Swatow and Amoy fell as well, giving the Communists complete control of the great Chinese coastline. But Mao Tse-tung had not waited for these inevitable victories to savour his northern triumph. From 21 to 28 September 1949, the Chinese Communist Party, the Democratic League, and various other anti-Kuomintang parties met in Peiping in a “Political Consultative Conference of the Chinese People”. By the time they had disbanded, the name “Peiping” (“Northern Peace”) had been discarded as a symbol of the decadence of the KMT, which had adopted it in 1928; instead, the great city reverted to its former name of Peking (“Northern Capital”), and was designated as the new capital of the Chinese People's Republic. The new republic was proclaimed by Mao on 1 October, and with him that day to celebrate the overwhelming victory were not only his comrades of the war years, but Mrs. Sun Yat-sen, a number of Nationalist generals who had changed sides in the latter days of the civil war-Fu Tso-yi, Ch'eng Ch'ien, and Chang Chih-chung-the widow of the “Christian General” Mrs. Feng Yii-hsiang, and sundry Shanghai and Singapore millionaires. And so, very briefly, Chungking again became the capital of the Republic of China. The Generalissimo had gone there on 24 August, in his new capacity as Chairman of the Kuomintang Supreme Political Council. His followers planned a giant anti-Communist rally in his honour on 3 September, but the Communists had their fifth column well organised and on the 2nd Red arsonists lit a raging fire which destroyed a part of the city and wrecked plans for the demonstration. With Taiwan as a last resort, Chiang explored other possibilities for a last stand. The almost inaccessible mountains of Sikang, between Szechwan and Tibet, attracted him most. But he soon discovered that the local forces would not necessarily be on his side when the crunch came. He made much the same discovery in Yunnan on the Indo-China border, and returned to Canton towards the end of September to a series of squabbles with Li Tsung-jen and his old Kwangsi comrade, Pai Ch'ung-hsi. On 4 October, with the black news of Mao's proclamation in Peking pounding inside him, he had flown back to Taiwan. Losing no time, the Soviet Union had recognised Mao's Republic on the 2nd, and on the 3rd the Nationalist Government-still in Canton-had broken diplomatic relations with Moscow. By now, Chiang Kai-shek had lost all control over events. All he could do was to breathe defiance-which indeed he would continue to do until his dying day nearly twenty-six years later. On 10 October 1949, in his first Double Tenth message from Taiwan, Chiang condemned what he still regarded as “Soviet aggression” in China, and reiterated his determination to fight communism to the bitter end. He was not going to sit in Taipei and watch the fall of Chungking from afar, however, and on 14 November he flew back to the temporary capital of his tottering Republic. To his great displeasure, the Generalissimo discovered that Li Tsung-jen had left the previous day for his old Kwangsi stronghold of Nanning. Literally, Li had no further stomach for a fight. An abdominal disorder from which he had long suffered was giving him acute trouble, and he had told everybody he was off to seek surgery for it. He turned a blind eye to Chiang Kai-shek's entreaties to return. Meanwhile, his ailment did not rule out political manoeuvres. He went to see the vacillating governor of Yunnan, Lu Han, and ordered the release of about a thousand Communists and members of the Kuomintang Revolutionary Committee whom the governor had arrested on 10 September. On 19 November, Pai Ch'ung-hsi flew to Nanning, where the acting President told him he planned to denounce the Generalissimo publicly, then go to the United States for treatment. In an acrimonious discussion, Pai talked him out of issuing his anti-Chiang statement, but not out of going to America. Instead, he wrote to Chiang saying he was sorry he couldn't return to Chungking: he was very tired, and needed a check-up and possibly an operation in the United States. “Meanwhile,” he went on, “I shall sound out the attitude of the U.S. Government towards China. In view of the grave situation, I shall come back in a short time to take up my responsibilities. . . . As for government affairs, I have asked Premier Yen Hsi-shan to look after them.” On the 20th, Li Tsung-jen left for Hong Kong on his way to America, leaving the Republic of China without a President. The next day, with Chiang Kai-shek in the chair, the Supreme Political Council resolved to urge Li Tsung-jen either to come back to the temporary capital or to resign as acting President. The Generalissimo sent a four-man delegation to Hong Kong to assure Li that if he returned, his authority in the National Government would be unimpaired, and suggesting that he should bring a doctor and any necessary medical equipment with him. The one important thing was that he should not be thought to be abandoning China in this supreme crisis. The four envoys returned empty-handed, without the acting President. A fierce debate then broke out within Chiang Kai-shek's entourage, with Ch' en Li-fu and others strongly urging Chiang to resume office, and Chiang Ching-kuo even more strongly urging that he should not. The Generalissimo listened to his son, who in fact was probably reflecting a mind already made up. To resume the Presidency, Ching-kuo had argued, would play into Li's hands in that any failure by Li Tsung-jen to raise money and support in America would be blamed on Chiang's disruptive role. The standing committee of the Central Executive Committee, however, disregarded the Generalissimo and his son, and sent the envoys back to Hong Kong with a strong resolution calling on the acting President to return immediately despite his illness. “If his illness is so serious as to prevent his return,” the resolution went on, “then a request shall be made that the Generalissimo resume the Presidency.” After some wavering, Li said he was going to Washington as acting President of China, and would request American financial support. Whether he got it or not, he would be back in China in one month to continue the struggle. He left on 5 December 1949, but never came back. Disregarding personal danger, the Generalissimo left Chungking by air for Chengtu-also in Szechwan-when a force of 30,000 Communist troops had already entered the city. Where else was he to turn? Kunming was a possibility, but

Chiang did not trust governor Lu Han. On 7 December, he sent his trusted friend General Chang Ch'ien to Kunming to ask Lu Han whether the Executive Yuan could move to his provincial capital. Lu was uncooperative, but suggested that the Generalissimo should drop in and see him. Sensing a trap, Chiang sent Chang Ch'ien back to Kunming for further details. But the Communists had got in first, and the Generalissimo's emissary was promptly arrested. Unknown to Chiang Kai-shek, two Szechwan warlords, both leading figures in the Democratic League, had defected to the Communist side. They were Chang Lan (the Chairman) and Hsien Ying, who thereupon put the Communist emissaries, who included Teng Hsiao-p'ing (a native of Szechwan, who was Peking's deputy premier when this book was written) in touch with other warlords in the south-west. The main ones were in fact Lu Han himself in Yunnan province and Liu Wen-hui in Sikang. Both Lu and Liu were given to understand that the Communists would allow them to hold on to their own territories, with their private armies intact. What they had not understood was that Mao Tse-tung was not the same kind of man as Chiang Kai-shek. When the time came, both warlords were almost perfunctorily removed from their strongholds; Lu was later appointed deputy Chairman of the National Commission of Physical Education and Sports, while Liu was given a post on the Standing Committee of the People's Congress. With these successive defections, Chiang Kai-shek's plan for a last stand in the south-west - in Szechwan, Sikang, Yunnan, and Kweichow - became meaningless. Three days after Chang Ch'ien's arrest in Kunming, the Nationalists intercepted a cable disclosing that Lu Han intended to place himself under Chairman Mao's orders, and planned to seize Chiang Kai-shek. But this intelligence arrived when the Generalissimo had already taken off for Taipei. Chang Ch'ien was released, and a Communist committee was set up in Kunming with Lu Han as chairman. On the 8th, the Executive Yuan in an emergency session chaired by Premier Yen voted to remove the capital to Taipei. From the Soviet border to Indo-China, and from Tibet to the China Sea, the whole of the ancient Middle Kingdom was now in Communist hands. Chiang Kai-shek had "lost" the Chinese mainland."

– *The Man Who Lost China* by Brian Crozier (1976), p. 342-346

"The ultimatum had expired, but seven hours earlier the Communists opened fire with the artillery they had massed on the north bank of the Yangtze. That night General Ch'en Yi led his People's Liberation Army troops across the broad river - two miles wide at that point - with ease in the face of token resistance from a few Nationalist river gunboats. In panic, the acting President ordered the evacuation of Nanking, which the Communists occupied on the 24th. With the Red forces came a "peace preservation committee" to handle the take-over. In silence, the inhabitants watched as the Communist forces set an example of discipline in victory which the Nationalist armies might well have envied. There was neither rape nor looting, and foreigners were left unmolested. The fall of Nanking shattered the illusions of the diplomatic corps in Chiang Kai-shek's capital. Wishful thinking had injected euphoria into their reports. They included Dr. K. M. Panikkar, the Indian Ambassador; Dr. Copland, the Australian Minister; and Chester Ronning, the Canadian charge d'affaires. All were under the illusion that the Chinese Communists, being "agrarian reformers", would be willing to compromise. Surely, they reasoned, the Communists would need trained personnel to run the cities and the economy. In this need, they saw the making of a coalition government, with Li Tsung-jen leading the Nationalists. The American ambassador, Dr. Leighton Stuart, put his faith in the notion that the Communists were bound to seek American aid and cooperation, even if Li Tsung-jen failed to reach an agreement with them in the peace talks. His naive faith was strengthened by Fu Ching-po, his protege and "Chinese adviser", who lived in his official residence and whom he paid out of his own pocket. Fu had been Dr. Stuart's secretary at Yenching University, and talked with great conviction about the "old boys of Yenching" within the Communist Party and their "respect for the old man" - as if the mere sight of their former principal would make them reasonable and pro-American. Even Li Tsung-jen and his close associates (according to Eric Chou) were under the impression that Fu Ching-po was the "voice of the U.S. State Department". This misconception helps to account for Li Tsung-jen's stubborn belief that even when the peace talks had failed, he could make a deal with the Americans by getting rid of Chiang Kai-shek. Eventually, when all was lost, he would make a personal appeal to President Truman. When the departing Nationalist government advised all the embassies to move to Canton, Ambassador Stuart stayed behind in Nanking in the vain hope of persuading the Chinese Communists, through his former students, to exchange diplomatic relations with the United States. In the eyes of many Nationalists, Dr. Stuart's attitude, by further demoralising their side, accelerated the collapse on the mainland."

– *The Man Who Lost China* by Brian Crozier (1976), p. 333-334

“Chiang Kai-shek had ideas of his own, of course, which did not at all coincide with those of Li Tsung-jen and his colleagues. On 25 April – his three months having elapsed – he left Chi Kow and boarded a gunboat, allowing it to be known that his destination was either Amoy or Taiwan. But in fact he headed for Shanghai. There, as a young man, Chiang had found love, fame, and power. Now, in the hour of disaster, he nursed a mad dream. **The local commander, General T’ang En-po, had been defying the acting President’s orders to lift martial law and evacuate enough troops to reinforce the defenders of the triple city of Wuhan. Instead, he proclaimed a proud resolve to make Shanghai a “second Stalingrad”. Chiang supported him. He ordered several armies to join the defenders of Shanghai, and made a speech forecasting “total victory within three years”. Thousands of coolies were made to dig an enormous moat and erect a ten-foot bamboo palisade, of no apparent military value. Chaos and brutality reigned everywhere. With him, T’ang En-po had brought the number of troops in Shanghai to 200,000. In return for “protection”, his men had behaved as undisciplined conquerors. Offices and houses had been requisitioned, and the splendid trees on the grounds of the Golf Club had been razed to make way for a rifle range. The police forces – open and secret – were rounding up people by the dozen on allegations of black marketing or espionage, and executing them summarily with shots in the back of the neck in the street and in full view of the crowds, without the formality of a trial. The army had seized the Central Bank, which was printing money in large quantities – most of which went to high officials and officers to ease them in their flight to Canton or Taiwan, where many of them made fortunes by exchanging them at the official rate for harder currencies. As usual, Chiang Kai-shek seemed oblivious to these excesses.** With his normal disdain for physical danger, he moved about the city without bodyguards. Perhaps because, even in this extremity, he was less unpopular than his regime, nobody laid a hand on him. During the eleven days he spent in Shanghai, full details of Li Tsung-jen’s conversations in Kweilin were brought to him by a special plane. “Much saddened,” writes Chiang Ching-kuo, Chiang Kai-shek wrote back to the acting President, saying: “You demand that I should go abroad. This I cannot do, for I am not a warlord! But I shall agree not to concern myself with affairs of State. From tomorrow, I shall wash my hands of them completely.” Unknown to Chiang, the acting President chose that moment – 5 May 1949 – to write to President Truman to complain that the National Government had misused American aid. His letter was published, along with a mass of other documents, in the State Department’s “White Paper”, *United States Relations with China*, in the summer of 1949. On 6 May, the Generalissimo left Shanghai for a secret destination, which turned out to be Taipei. The provincial authorities, alerted in time, met him and pressed him to set up house in the former Viceroy’s residence. On the ground that he was now a private citizen, Chiang politely declined and moved into a former guest house of the Taiwan Sugar Company in the village of Tsaoshan (since renamed Yangmingshan), eight miles north of Taipei in the mountains. **In Shanghai, meanwhile, the bankers and businessmen were having secret talks with Communist emissaries. During the Sino-Japanese War, the Shanghai banking community, in particular Chou Tso-min of Kinchong Bank, had secretly provided General Ch’en Yi and his New Fourth Army with money and medical supplies. Now, with the Communist forces outside the city, these bankers wanted assurances from the Communists that it would not be destroyed. At the same time, they also approached T’ang En-po, offering him gold bullion and American dollars in return for a promise not to make a last-ditch stand around Shanghai.** In 1957, Eric Chou met one of the secret Communist emissaries in Hong Kong. He was Chou’s old friend Ch’en Po-liu, one of the left-wing student leaders in Peking in 1935. When this book was written, Ch’en Po-liu held a senior post in the (Communist) Bank of China in Hong Kong. In his village home near Taipei on 25 May, news of the fall of Shanghai reached Chiang Kai-shek. **For all their heroic talk, the defenders had decided to surrender when the Communist forces drew uncomfortably close. Doubtless the bankers’ money helped to deflect them from unnecessary heroics. T’ang En-po got out in time with about half his forces, but Ch’en Yi entered the great commercial metropolis virtually without a fight, taking more than 100,000 prisoners.** Unknown to the outside world, a great bonus awaited them. For this, they were indebted to one of the less famous defectors, Wu Shao-shu. A member of the CC clique, Wu was also on the staff of the Central Bureau of Investigation and Statistics. During the Sino-Japanese War, he had worked underground in Shanghai, as master spy for the Nationalists. It was part of his job to know the Shanghai underworld, and he was a member of the Green Society. After V-J Day, Chiang Kai-shek appointed him deputy mayor of Shanghai and gave him the job of organising the students. In this capacity, he ran the local branch of the *San Min Chu Yi* (“Three Principles of the People”) Youth Corps. When the Communists entered the city, Wu handed them his complete files on the local business magnates, secret-society leaders, and Nationalist secret agents. Ch’en Yi was thus able to round up all “hostile elements” without delay. Before leaving the city, Chiang Kai-shek is believed to have personally seen to the organising of a Nationalist Underground Command in Shanghai (according to Eric Chou’s sources); Wu Shao-shu’s defection “blew” the whole set-up. As a reward, he was presented to Chou En-lai in Peking and appointed a counsellor to the Ministry of Communications in the People’s Government.”

– *The Man Who Lost China* by Brian Crozier (1976), p. 336-338

“Otherwise, “Free China” survived only on Taiwan, the large island of Hainan – a logical base for a reconquest of the mainland-and the smaller islands of Chusan in the mouth of the Yangtze, Quemoy, and Kinmen, opposite Amoy, Tungshan, and the Pescadores south of Taiwan. The Generalissimo's military assets totalled about 800,000 men of varying quality, between 750 and 1,000 tanks or armoured cars, and an air force of between 300 and 600 planes – the lower figure if first-line aircraft alone are counted, the higher if the obsolete ones are included. About 70 major vessels had come over. All this, Chiang reflected, was not enough to reconquer the mainland, but it was enough – with luck – to defy the Communist regime indefinitely, and to damage it by air raids and an economic blockade. In the days of his boundless self-confidence, Chiang Kai-shek had spurned the advice of those who wanted him to abandon Manchuria temporarily and concentrate on defence of China proper. That way, he had lost not only Manchuria, but also, in accelerating stages, the whole of the Chinese mainland. He had spread his forces too thinly and tried to defend everything. He had failed to understand that a strategic withdrawal is sometimes necessary for a long-term recovery. Now, in his extremity, he recognised his past errors. Of the islands still in Nationalist hands, only Taiwan was indispensable for survival. Hainan off the coast of Kwangtung was a prize he had no wish to give up. With its iron ore, its facilities for a potential submarine fleet, and its proximity to the mainland, it would have been an ideal base for a campaign of reconquest – if the Nationalists had had the means for an effective defence. But they did not. The garrison commander, General Hsueh Yueh (the “Little Tiger”) had a well-trained force of about 40,000 regulars, but they were constantly harassed by a Communist guerrilla force in the interior, which was nearly as large as the Nationalist garrison. The mainland Communists made ten unsuccessful attempts to invade the island between February and April 1950. They succeeded in landing a substantial force on 16 April, and the defenders were quickly driven back to the south coast. The Generalissimo ordered Hsueh Yueh to evacuate his troops to Taiwan without delay. The following month, a much larger Nationalist force – 150,000 – was evacuated from the Chusan Islands in sixteen Liberty ships and some smaller vessels. Two more islands – Matsu on the approaches to Canton, and Tungshan off the coast of Fukien – were also abandoned. These withdrawals effectively ended the Nationalist blockade of Shanghai and Canton, which had been maintained in the face of stern British and American disapproval. Thereafter, Chiang entirely lacked an invasion base. Apart from the small islands of Quemoy and Matsu off the coast of Fukien, and the Pescadores, “Free China” was reduced essentially to Taiwan island, less than half the size of Scotland and less than one-third arable, with (at that time) a population of 10,000,000 or 11,000,000, including between 1,000,000 and 2,000,000 military and civilian refugees from the mainland. In this unpromising situation, Chiang Kai-shek had two minimum objectives: political survival and the preservation of the traditional Chinese way of life, threatened on the mainland by the imposition of an alien revolutionary ideology. From the time of his arrival until the day of his death, however, his publicly stated objective, reiterated *ad nauseam*, was the “return to the mainland”. As time went on, this public objective became decreasingly credible to those who constantly heard it. It had begun as a fierce resolve; it became an aspiration, then a myth, then a liturgy. Yet it played a major part in sustaining and justifying Kuomintang rule over a population that was undoubtedly Chinese, but which had emerged from half a century of Japanese colonial rule and had evolved a traditional spirit of dissociation from continental China. On their arrival after the collapse of Japan, the Nationalists had initially behaved (as we have seen) as brutal and insensitive conquerors. This had to stop, and in appointing General Ch'en Ch'eng as governor of the island in 1949, Chiang had picked a man with the capacity to tackle an arduous job. On taking refuge in Taiwan at the end of 1949, Chiang Kai-shek set himself two main tasks: the security of his home base; and abroad, recognition of the government of the Republic of China as the legitimate government of the entire Chinese people, in the face of the undeniable fact that Taipei exercised no control over the lives and destinies of hundreds of millions of Chinese under the rule of Mao Tse-tung's Chinese People's Republic. He achieved the second objective, to an improbable degree, through an unlikely set of circumstances which caused the United States to continue to recognise the Nationalist Government instead of the Communist. By far the most important of these circumstances was the Korean War in the 1950s.” – *The Man Who Lost China* by Brian Crozier (1976), p. 350-352

“The day Chiang Kai-shek resumed his high office, Mao's Commander-in-Chief, Chu Teh, received members of the Taiwan Liberation League in Peking and told them that the “elimination of the Chiang Kai-shek regime from Taiwan has become the most pressing task of the whole country”. A mighty military force was being assembled for the invasion, he added. At that grim moment, there seemed every chance that the Communists would carry out their threat. Chiang Kai-shek and his regime were saved, however, by the Korean War. The key to Chiang Kai-shek's survival was the attitude of the United States. The Communist victory on the mainland had left the American people and government deeply and bitterly disillusioned with Chiang and his regime. But for some curious blunders on the part of Mao Tse-tung's government, the Americans were in a mood to recognise it, as the British did in January 1950. As early as 1 July 1949, however, Mao Tse-tung had set a keynote of permanent hostility towards America in his speech declaring that China would lean to the side of the Soviet Union. The highly disciplined soldiers of the People's Liberation Army had invaded the residence of the American ambassador, Dr. Leighton Stuart, and had even entered his bedroom, where he lay sick. No apologies had been forthcoming. **On 13 January 1950, the Communist authorities had seized the American consular offices in Peking. Worse still, they had arrested the American Consul-General in Mukden, Angus Ward, and gaoled him for four weeks on trumped-up espionage charges.** A wave of indignation swept the United States on the news of these insults and outrages, and on the 14th the State Department ordered the recall of 135 consular personnel with families from Peking, Tientsin, Shanghai, Nanking, and Tsingtao. It was now politically impossible for Washington to recognize the Chinese People's Republic. But it did not follow that America would resume its support for the Nationalist regime. Indeed, on 5 January 1950, President Truman had made it clear that his policy for China was “hands off”. The United States, he declared, would not get involved in the Chinese civil war; nor would it provide “military aid or advice” to Chinese forces in Taiwan. Spurred by one of the leaders of the China lobby, Senator William F. Knowland, in the wake of the anti-American outrages in China, Secretary of State Acheson on 24 January announced a programme of economic aid for Taiwan. But the turning-point was the invasion of South Korea by the North Korean army on 25 June 1950.” – *The Man Who Lost China* by Brian Crozier (1976), p. 354-355

“The most important of Chiang Kai-shek's stabilising measures in Taiwan was the land reform programme, which he directed Governor Ch' en Ch' eng to initiate as soon as he took office. In fact, as early as 4 February 1949, one month after Ch'en Ch'eng became governor, he launched the "land rent reduction programme". It was much needed. Traditionally, tenant farmers on the island had paid about 50 percent of the total yield of their main crops as rent, often to absentee landlords. In some areas, the proportion was as high as 70 percent. Moreover, rent had to be paid regardless of the weather and crop failures. Throughout the programme, the authorities had the devoted technical assistance of the Sino-American Joint Commission on Rural Reconstruction. On 25 May 1951, a Legislative Yuan resolution fixed a ceiling of 37.5 percent for rents on tenanted land. The aim was fulfilment of Sun Yat-sen's slogan, "land to the tillers". On 30 May, the Executive Yuan announced "Measures for Sale of Public Farmland", compelling absentee landlords to sell their lands to the State, which in turn sold it back to the tenants on ten-year mortgages repayable in instalments representing 25 percent of the annual crop output. Landlords in residence were allowed to keep no more than two hectares of irrigated land or four of dry land. Compensation was either in cash, in land bonds, or in stocks in publicly owned enterprises. Thus, many landlords were turned into industrial capitalists. By the time the programme was completed in 1953, nearly 80 percent of all arable land was owned by those who tilled it. No blood was shed, in striking contrast to the land reform programme initiated in June 1950 by the Communist regime, which involved the physical liquidation of the landed gentry as a class. Ch'en Ch'eng's land reform programme was undoubtedly a major stabilising factor, and gave a great boost to the island's economy. The immediate security problem, however, had to be dealt with by harsher measures. During the flight to Taiwan, the Communists had planted many agents among Nationalist personnel. Some were of high rank: for instance, the deputy Chief of the General Staff, Lieutenant-General Wu Shih, and his wife. During the first six months of 1950, more than 300 cases of espionage were handled, involving an underground network of more than 1,000 agents. In May that year, Chiang promised immunity to all Communists who came forward. More than 400 did so. Those arrested without the benefit of the amnesty were usually executed. While Communists were being executed and peasants were being given land, Chiang was reorganising and reforming the Kuomintang. Addressing an extraordinary session of the Standing Committee of the Central Executive Committee on 22 July 1950, the Generalissimo declared:

We must make Taiwan the base for national recovery, a vanguard for the struggle of the free peoples of Asia, and a champion of world peace. To achieve this, we must thoroughly reform our party in order to reorganise our revolutionary machinery and to revive our revolutionary spirit. On the negative side, we must do away with the conflicts between the various cliques and factions, as well as between individuals in the party. We must not tolerate any longer the selfish behaviour and ideas which have caused the collapse on the mainland and may cause the collapse of Taiwan if unchecked.

The first thing to do, said Chiang, was to streamline the party organisation. The Central Executive Committee was swept away, and so was the Central Supervisory Committee. In their place, he created two much smaller bodies: a Central Reform Committee with executive powers, and an Advisory Committee of older party leaders. Prominent Kuomintang 'personalities who had gone over to the Communists, such as General Fu Tso-yi and Mrs. Sun Yat-sen, had already been expelled. Many others, who had not joined Mao Tse-tung but had declined to come to Taiwan—the fence-sitters—were now swept off the register of members. The army, too, was purged. On the Generalissimo's orders, Ch' en Ch' eng dismissed literally tens of thousands of officers. The battle orders of 181 armies, divisions, and smaller units were abolished: in fact, they had been paper organisations, with padded lists to fatten the payrolls of their commanders. **Next came currency reform. After the fall of Shanghai, Chiang's government introduced a new Taiwan dollar, backed by the gold and foreign exchange he had had the foresight to transfer to Taipei, and exchangeable at 5 to one with the American dollar. It had not taken Chiang Kai-shek long to reassert his complete authority over the territory he controlled, and its inhabitants. For by now, not only was he Commander-in-Chief and Director-General of the Kuomintang, but he had resumed the Presidency of the Republic as well.** On 21 February 1950, the Emergency Committee had issued an ultimatum to Li Tsung-jen, who of course was in America, to come to Taipei in three days or forego the acting Presidency. Li's reply was evasive, and on the 24th the Legislative Yuan petitioned Chiang to resume the Presidency. There was now no reason to refuse, and on 1 March, he was again President. His first act was to accept the resignation of Yen Hsi-shan, who felt himself too old and sick to remain premier. On the 8th, he handed the job to General Ch'en Ch'eng.”

— *The Man Who Lost China* by Brian Crozier (1976), p. 352-354



Fourteen thousand former Communists defied Mao's brainwashers and chose freedom in Taiwan at the end of the Korean War

Caption: "Fourteen thousand former Communists defied Mao's brainwashers and chose freedom in Taiwan at the end of the Korean War."



Anti-communist Chinese prisoners-of-war of the Korean War march along a road to Incheon, South Korea on January 26, 1954, where they were transported to Taiwan, the offshore island governed by the Republic of China. They carried Nationalist Chinese flags and pictures of Dr. Sun Yat-sen and Generalissimo Chiang Kai-shek. (Photo: © Hulton-Deutsch Collection/CORBIS)



As the Chinese Communist Army comes nearer to the Tachen Islands, a family abandons their home and prepares to evacuate to the island of Taiwan, an island administered by the Republic of China, on February 12, 1955. (© Bettmann/CORBIS)



Generalissimo Chiang Kai-shek, President of the Republic of China, reviews a group of U.S. Marine Honor Guard during a visit to the carrier USS Wasp off Formosa in January 1954. Behind Chiang is Major General Ree Isung Kan. The Wasp returned to Formosa a year later as the Chinese Nationalists evacuate from the Tachen island, an offshore island located near Shanghai. (Photo: Bettmann/CORBIS)



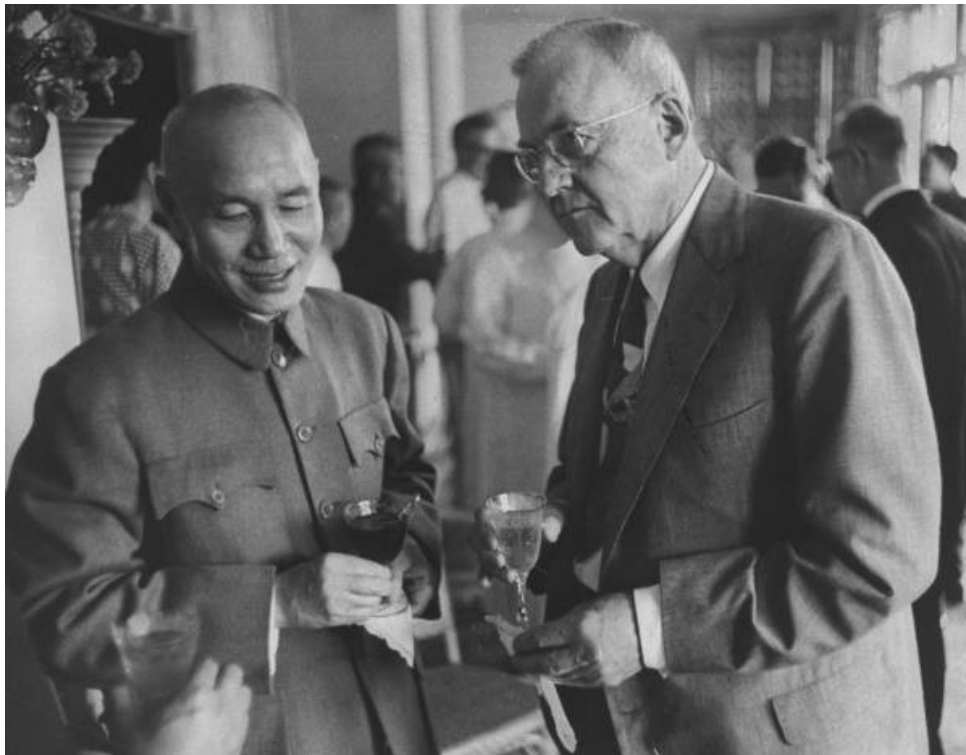
A Nationalist Chinese soldier guards the island of Quemoy and observes the communist-occupied mainland on September 10, 1954. The Chinese Communist army landed in Quemoy in October 1949, but they were defeated by the Chinese Nationalist army. (Bettmann/CORBIS)



Nationalist Chinese soldiers stack artillery shells at the seaport on Quemoy in 1958 to defend against Communist Chinese aggression. (Hulton-Deutsch Collection/CORBIS)



Chiang Kai-shek, his wife Madame Chiang Kai-shek, and his son Chiang Ching-kuo in Taiwan in circa 1955.
 (Source: *The Last Empress: Madame Chiang Kai-shek and the Birth of Modern China* by Hannah Pakula)



Secretary of State John Foster Dulles (right) meets with Generalissimo Chiang Kai-shek (left) in Formosa, Republic of China in March 1955.
 John Foster Dulles' brother CIA Director Allen Dulles also met with Generalissimo Chiang Kai-shek in Formosa.
 (Photo by Howard Sochurek//Time Life Pictures/Getty Images)



President Dwight Eisenhower (left) visits Generalissimo Chiang Kai-shek in Taipei, Taiwan, Republic of China in June 1960. (Photo: <http://ustdc.blogspot.com/2008/06/eisenhower-visit.html>)



Deputy Defense Minister Chiang Ching-kuo (left), Ambassador Wellington Koo, and Secretary of State John Foster Dulles (1953). *KMT Central Committee Archives*.

Nationalist China's Defense Minister Chiang Ching-kuo, the son of Chiang Kai-shek, meets with Secretary of State John Foster Dulles in 1953. Wellington Koo attended the Paris Peace Conference in 1919.

(Source: *The Generalissimo's Son: Chiang Ching-kuo and the Revolutions in China and Taiwan* by Jay Taylor)



U.S. President Dwight D. Eisenhower (left) visits the Republic of China (Taiwan) on June 18, 1960, riding in a convertible with President Chiang Kai-shek (right) to downtown Taipei. This was an important period for Republic of China-United States relations. President Eisenhower is the only American president to have visited the Republic of China.
(Government Information Office) <http://www.taiwaninsights.com/2010/12/30/test/>



U.S. President Dwight Eisenhower (left) visits Generalissimo Chiang Kai-shek in Taipei, Taiwan, Republic of China in June 1960. (Photo: <http://ustdc.blogspot.com/2008/06/eisenhower-visit.html>)



U.S. President Dwight D. Eisenhower (L) and Generalissimo Chiang Kai-shek (R) ride in a motorcade in Taipei in June 1960. (Time Life)



U.S. President Dwight D. Eisenhower delivers a speech to the Chinese people in Taipei, Republic of China in June 1960. Generalissimo Chiang Kai-shek is seated behind President Eisenhower.
 (Photo: <http://ustdc.blogspot.com/2008/06/eisenhower-visit.html>)



Republic of China's President Generalissimo Chiang Kai-shek (left) greets America's President Dwight D. Eisenhower at latter's arrival in Taipei, Capital of Formosa, on June 17, 1960. (Photo: ABC News (syndicate))



A photo of the headquarters of the U.S. Taiwan Defense Command (USTDC) before its closure in 1978.
(Photo: <http://ustdc.blogspot.com/search/label/TDC%20Building>)



A photo of the headquarters of the U.S. Taiwan Defense Command (USTDC) before its closure in 1978.
(Photo: <http://ustdc.blogspot.com/search/label/TDC%20Building>)



Admiral Arleigh A. Burke (left), Chief of Naval Operations of the U.S. Navy, is greeted by Generalissimo Chiang Kai-shek, during a visit to Taiwan in 1955. (U.S. Naval Historical Center Photograph)

<http://www.history.navy.mil/photos/pers-us/uspers-b/burke-m.htm>



Generalissimo Chiang Kai-shek inspects defenses at Kinmen [Quemoy] Island, Republic of China in 1956.



A photo of Shan heroin refinery in Thailand. (Source: <http://www.takaclub.com/opium/postjapan.htm>)



Chiang inspecting the island of Quemoy, ca. 1963. At the time, he was once again threatening to invade the mainland, but his senior Nationalist officials were reassuring the Americans that he was not serious. Courtesy KMT Party History Institute.

(Source: *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor)

“The Kuomintang, after their defeat by the Communists in 1949, fled in two directions. One group, led by Chiang Kai-shek, escaped south from Shanghai and via Hong Kong to settle in Formosa (Taiwan); the other group, led by General Lee, escaped through Yunnan to settle in northern Thailand and Burma. The intention was to retake China from Mao and the Communists in a two-pronged attack. This never took place, but the remnants of the army in Thailand developed the heroin trade. They were useful to the Thai government, and to the West, who were pleased to have a fiercely anti-communist and well-armed group patrolling the northern borders. They turned a blind eye to the heroin trade, which consequently expanded. With CIA support, the Kuomintang remained in Burma until 1961, when a Burmese army offensive drove them into Laos and Thailand. By this time, however, the Kuomintang had expanded Shan State opium production by almost 1,000 percent—from less than 40 tons after World War II to an estimated three hundred to four hundred tons by 1962. From bases in northern Thailand the Kuomintang continued to send huge mule caravans into the Shan States to bring out the opium harvest. Until 1971, over twenty years after the CIA first began supporting Kuomintang troops in the Golden Triangle region, these Kuomintang caravans controlled almost a third of the world's total illicit opium supply and a growing share of Southeast Asia's thriving heroin business. The Hong Kong-based '14K' triad, with its strong links to the old Shanghai Green Gang and Nationalist officers, was able to link the Kuomintang-controlled highlands of the Golden Triangle to the distribution channels of the USA and Europe. Whether the Kuomintang in Taiwan had any connection with this trade remains an open question.”

(Source: <http://www.takaclub.com/opium/postjapan.htm>)

May 13, 2013

NEWS

Chiang Kai-shek's Secret Military Advisers Unveiled

For decades after his defeat by the Chinese Communists in 1949, [Chiang Kai-shek](#) relied heavily and almost exclusively on the United States to defend and consolidate his island redoubt, Taiwan, against the communist invasion. Under the facade of an ostensibly formidable US-Taiwan alliance during the cold war, however, Chiang would, from time to time, turn to his erstwhile enemies in World War II for military advice. In the early 1950s, he covertly employed former Japanese officers to educate his army officers. Beginning in the early 1960s, as the Hoover Archives' newly opened Yue-che Wang Papers reveal, Chiang hired former German officers as his "personal advisers" to train, lecture, and assess the Taiwanese military forces. Led by Oskar Munzel, a highly decorated Generalmajor in the Wehrmacht during World War II and General der Kampftruppen of the Bundeswehr who commanded all German army combat troops after the war; and Paul Jordan and Kurt Kauffmann, they all played a crucial role in reforming Taiwan's armored forces, bridging military cooperation between Bonn and Taipei, and transforming the mind-set of Chiang's military echelons. The German group was still at work well into the mid-1970s, after Taiwan was expelled from the United Nations and Bonn normalized its relations with the People's Republic of China. It came to a stop only after Chiang Kai-shek died in April 1975.

Yue-che Wang had served as an aide de camp to Oskar Munzel when the latter was a personal adviser in Taiwan. [Wang's papers](#), in Chinese and German, include correspondence, reports, memoranda, and minutes of the Germans and their meetings, as well as photos depicting their underground activities in Taiwan.

Also in this collection are dozens of rare photos depicting the naval activities from the late Qing dynasty to the 1950s in the Republic of China, when Wang's grandfather was serving in the Chinese Navy. These rare historical materials will provide scholars with glimpses into a previously unknown tie between Taiwan and West Germany that will enrich our understanding of the intricate cold war politics in East Asia and Europe.

Source: <http://www.hoover.org/news/146836>



Left photo: Chiang Kai-shek meets with Oskar Munzel (left, 1899-1992), his German military adviser, in his residence, May 1965. (Wang Yue-che Papers, Box 2). <http://www.hoover.org/news/146836>



Right photo: Chiang Ching-kuo (left), Chiang Kai-shek's son and Taiwan's defense minister, welcomes Hans-Joachim Urban (right), a high-ranking officer from Western Germany's Bundesnachrichtendienst in charge of intelligence in the Asia Pacific region, ca. spring 1965. (Wang Yue-che Papers, Box 2). <http://www.hoover.org/news/146836>



U.S. Secretary of State John Foster Dulles (center) and Assistant U.S. Secretary of State for Far Eastern Affairs Walter S. Robertson (left) stand with Chinese Vice President Chen Cheng (right), the Vice President of the Republic of China, at an airport near Taipei, Republic of China in October 1958. John Foster Dulles was a member of the Council on Foreign Relations. (Photo: James Burke/Time Life)



Chinese Nationalist Vice President Chen Cheng (L) and Madame Chiang Kai-shek (center right) listen as Nationalist Chinese President Generalissimo Chiang Kai-shek (C) speak at Yang Ming Shan dinner under portrait of Republic of China's founder Sun Yat-sen near Taipei, Taiwan, Republic of China in September 1961. (Photo: John Dominis/Time Life)



Generalissimo Chiang Kai-shek (left), the President of the Republic of China, meets with former Prime Minister of Japan Shigeru Yoshida in Taipei, Republic of China (Taiwan) on March 2, 1964 for discussion on Sino-Japanese relations and other political issues. (© Bettmann/CORBIS)



Ronald Reagan visits Generalissimo Chiang Kai-shek in Taipei, Republic of China (Taiwan) in the late 1960s.



Republic of China's Vice Premier Chiang Ching-kuo, son of Generalissimo Chiang Kai-shek, talks with U.S. Secretary of Defense Melvin Laird (left) at the Pentagon near Washington, D.C. on April 22, 1970. The Nixon administration began opening up to Communist China the following year when National Security Advisor Henry Kissinger secretly visited Chou Enlai in Peking [Beijing], marking the beginning of the end of America's diplomatic relations with the Republic of China [Taiwan]. (© Bettmann/CORBIS)



Red China's Premier Chou Enlai warmly greets Soong Ch'ing-ling, Vice Chairman of the Standing Committee of the National People's Congress of Communist China, in Peking, Red China February, 1956 upon her return from visiting India, Burma, and Pakistan. (© Bettmann/CORBIS)

“The primary objectives of party reform, Chiang stressed to the group, were to eliminate corruption and factions, to bring in younger party members, and to focus on serving society and the masses. Party authority was to be centralized as never before in the hands of Chiang Kai-shek and his son, but the change was portrayed as essential to achieve the necessary and long-sought unity. Chiang, it seemed, was convinced that his labors would someday, probably long after he was gone, produce a rule of law; an open, prosperous, well-educated society; and a multiparty but strictly controlled representative system of governance in which stability and the welfare of the common people would be the most important goals. This was an interesting quasi-Marxist rhetorical phase for the strong anti-Communist KMT leader, reflecting in part his admiration for aspects of the Chinese Communist Party. More often than before, in his dairy and his closed talks he invoked the Marxist theme about serving the “masses.” He openly preached within the party that it was necessary to learn from Mao Zedong in order to defeat him. He even urged party members to learn the Marxist, dialectical way of thinking. “Our attitude of disdaining the dialectic,” he wrote, “was the reason why we were defeated.” Mobilization of the youth was another Communist priority the Chiangs were determined to emulate. Ching-kuo, not surprisingly became head of a new youth organization with the usual overly descriptive name, the National Salvation Anti-Communist Youth Corps. Notably, the corps fell not under the Ministry of Education but the General Political Warfare Department, which provided officers to “teach and train students from elementary school to college.” Standardized teaching and military training, Chiang explained, were key to carrying out the party’s “principles and goals.”...As the party cadre increased, so did the number of party members. In 1950 there were approximately 50,000 KMT members on Taiwan. By 1952 the membership would stand at 282,000, of whom about 50 percent were of mainland origin; in addition, 170,000 of the total were civilians, and 112,000 were a part of the military. As in the Chinese Communist Party, a new Discipline Commission was established to investigate charges of corruption, including at the higher levels. The Reform Committee would also restore the Leninist doctrine of democratic centralism as the guiding principle of the Kuomintang. The basic or lowest-level organization was to be the party cell. The new rules would require every KMT member to belong to a cell and to attend its meetings. The cell would be a working unit carrying out party policy, developing and distributing propaganda, preventing Communist infiltration, and reporting suspicious and illegal behavior. Party journals cited the Chinese Communist Party example as evidence of the advantages of using the workplace as the basic unit of party organization in the cities; and in rural areas, villages rather than towns or districts were the foundational element. For the first time, Kuomintang cells would be formed in the Legislative Yuan, and henceforth, legislators would be given their guidance or instructions via the party. KMT cells would be created throughout the government and the military. Private businesses of any size would be “encouraged” to allow party cells within their factories and offices. Every school and every nonprofit organization had party cells, and if big enough, a web of cells. Again following CCP practice, members of Kuomintang cells practiced mutual criticism, self-criticism, and investigations of loyalty and honesty. Party-conducted polls conducted by the cells sought to learn the needs and opinions of the people in order “to develop the mass line.” In addition to these individual-level directives, major sectors of business, industry, and infrastructure were under government control, including steel, mining, petroleum, electric power, railways, ship building, sugar alcohol, tobacco, and forestry. Privatization, except in connection with land reform, was not a goal. Chiang’s strong anti-Communist defenders in the U.S. Congress seemed unaware of these striking similarities with the techniques of the Communist parties of the world. Yet Chiang’s aim was not profoundly to transform human relations and the world, as Mao aspired to do, or to dominate other peoples and eventually the world as the fascists intended. Instead he hoped to assure stability and unchallenged political power in order to preserve his position and the goal of national unity, defeat any attack from the mainland, and build a modern and prosperous Chinese society on Taiwan. The values taught in the new KMT were the same as in the old New Life Movement – patriotism, loyalty, discipline, honor, benevolence, love, and anti-Communism.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 442-444

“During the summer harvest of 1949, with the help of the American-supported Joint Commission on Rural Reconstruction (JCRR), Chen Cheng began a major land reform. At the end of the Chinese civil war, Japanese governmental bodies, individuals, and companies together owned a stunning 66.7 percent of the land on Taiwan, including uninhabited mountainous regions. Chen Cheng sold a good part of this appropriated land – 21 percent of all cultivable acreage on the island – on cheap credit to poor Taiwanese farmers. The government also mandated a sharp reduction in rural land rents to 37.5 percent of the annual yield of chief crops like rice. This reform was an instant success, made politically easy by the fact that the KMT at this appoint was reapportioning land that had not been in Taiwanese hands for decades, and to which the arriving mainlanders had generally not made a claim. The initial reforms immediately created a base of genuine political support for the Kuomintang among Taiwanese farmers, and the next stages would strengthen it. Although most professional, intellectual, and urban Taiwanese understandably remained viscerally anti-KMT, the party for the first time had a foundation of popular support in rural areas. Chiang strongly approved of Chen’s reforms, and they eventually began to earn praise from Americans and agrarian reformers around the world.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 413-414

Covering the Map of the World — The Half-Century Legacy of the Yalta Conference, Part 6

by [Richard M. Ebeling](#), August 1995

In 1940, the Japanese consul general in Harbin, Manchuria, intercepted several messages sent from the Soviet foreign minister, Vyacheslav Molotov, to the Soviet ambassador in Tokyo. In one of these messages, Molotov told his ambassador: "We concluded an 'Agreement with Germany' because a war is required in Europe" between the capitalist nations, to open the door for the future communization of the European continent. Molotov went on to explain that any peace settlement that would end the war between China and Japan "might destroy our work proceeding among the suppressed peoples of Asia, and . . . it would not instigate the Japanese-American war which we desire."

If Japan turned its eyes towards conquest in Southeast Asia — including the U.S.-controlled Philippine Islands — and became embroiled in a war with America, then Moscow could feel secure that the Japanese would not invade Soviet Siberia, as well. And in the chaos that a general war in Asia would create, the breeding ground for communist revolutions would be expanded. To help seal this likelihood, Stalin signed a non-aggression pact with Japan in April 1941.

In July 1941, a month after the Nazi invasion of the Soviet Union, FDR's confidant, Harry Hopkins, was in Moscow meeting with Stalin, assuring the Soviet dictator of Roosevelt's intention of supplying the Red Army with as much war materiel as it was possible to provide, with no strings attached. On August 1, FDR told his cabinet that he wanted the aid flowing to Stalin immediately. "The only answer I want to hear is that it is under way," Roosevelt said to them. "Get the planes off with a bang next week."

At that very moment, Stalin's greatest and most successful spy in the Far East, Richard Sorge — who had warned Moscow in early June 1941 that Hitler would attack the Soviet Union during the third week of June, predicting the invasion almost to the day (even though at the time Stalin refused to believe it) — was using his agents to find out if Japan was planning to attack north at Soviet Siberia or south into a collision course with the United States. On October 4, 1941, Sorge, in his last message to Moscow before his arrest by the Japanese police, informed Stalin:

The American issue and the question of the advance to the south are far more important [to the Japanese] than the Northern problem [the Soviet Union]. . . . There will be war with the U.S. this month or next. . . . Japan will attack the United States, then Malaya, Singapore and Sumatra.

Stalin had this information corroborated when Soviet intelligence intercepted a November 27 message from Tokyo to the Japanese ambassador in Berlin, saying that he was to "explain to Hitler that the main Japanese efforts will be concentrated in the south and that we propose to refrain from deliberate operations in the north (i.e., Siberia)."

But even as the American aid was beginning to flow into the Soviet Union to bolster the Red Army in the face of the German attack, Stalin kept this information from his most reliable spy to himself. Better not to warn Roosevelt about Japan's war intentions and better simply to watch the unfolding of the Japanese-American war that he wanted.

America had confronted Japan in the Pacific over Japanese ambitions in China. The Japanese military had occupied Manchuria in the autumn of 1931 and the neighboring province of Jehol in 1933 and had established their puppet state of Manchukuo. In July 1937, Japan initiated a new attack near Peiping (Peking), and soon the Japanese Army was advancing far into north-central China. In August 1937, Japanese forces attacked Shanghai, rapidly moved up the Yangtze River, and occupied the Nationalist Chinese capital at Nanking. Chiang Kai-Shek, the head of the Chinese Nationalist government, moved his capital to the city of Chungking in western China. By 1939, even though they had occupied most of the coastal cities, the Japanese were bogged down in a seemingly unwinnable war in the vast stretches of the Chinese countryside. In 1940, in an attempt to cut off outside supplies to Chiang Kai-Shek's forces, the Japanese occupied the northern part of French Indochina (Vietnam, Laos, and Cambodia). In July 1941, the Japanese occupied the southern part of the French colony.

President Roosevelt's freezing of Japanese assets in the United States and his embargo against the selling of oil to Japan in July 1941, as well as his unwillingness to negotiate any compromise with Tokyo, set the stage for the attack on Pearl Harbor. Once in the war, Roosevelt abandoned Chiang Kai-Shek and the Chinese resistance against Japan. As Frederick W. Marks has explained in his study of FDR's foreign policy, *Wind Over Sand* (1988):

In fact, Roosevelt broke virtually every important promise made to Chiang between the time of Pearl Harbor and his death in April, 1945. He shipped less than 10 percent of the aid pledged. He went back on his commitment to assist Chiang's Burma campaign with an amphibious invasion. At various times, supplies earmarked for Chungking were diverted without consultation.

Scores of bombers and transports, once the entire U.S. Tenth Air Force in India, was rerouted to bypass China after the United States had given its word. Roosevelt pledged a loan of a billion dollars which was never delivered. And more than once, he promised increased tonnage to be flown from India over the Himalayan Hump. In almost every instance, such tonnage failed to eventuate.

Finally, after becoming sufficiently tired of Chiang Kai-Shek's complaints about American failure to support his government, FDR ordered that a plan be prepared for the assassination of the Chinese generalissimo. In December 1943, FDR's military representative in China, General Joseph Stilwell — who passionately disliked Chiang, often referring to him in public as "the Peanut" — told a subordinate, Col. Frank Dorn, that FDR was "fed up with Chiang and his tantrums, and said so. In fact, he told me in that Olympian manner of his, 'if you can't get along with Chiang, and can't replace him, get rid of him once and for all. You know what I mean, put in someone you can manage.'" Col. Dorn prepared a plan for an airplane mishap, in which there would be engine problems and, in the process of bailing out of the plane, Chiang and his wife would be given faulty parachutes. The plan was not executed only because FDR decided not to issue final authorization.

Franklin Roosevelt's final betrayal of his Chinese ally occurred in his negotiations with Stalin over the conditions under which the Soviet Union would enter the war against Japan. In November 1943, on their way to their conference with Stalin at Teheran, FDR and Churchill met in Cairo, Egypt, with Chiang Kai-Shek. At the end of the meeting, they issued the Cairo Declaration, which said that America, Britain, and China "are fighting this war to restrain and punish the aggression of Japan. They covet no gain for themselves and have no thought of territorial expansion. . . . [A]ll territories Japan has stolen from the Chinese, such as Manchuria, Formosa and the Pescadores, will be restored to the Republic of China."

A few days later, at Teheran, Stalin said that once the war was over in Europe, the Soviet Union would be prepared, after a short time, to enter the war in the Pacific against Japan. But Stalin wanted to know what could be done for him in the Far East. When Churchill asked what he had in mind, Stalin explained that, while he did not want to go into details at this time, the Soviet Union had no completely ice-free port in the Far East. FDR suggested that the port of Dairen, on the southern coast of Manchuria, could be made into a free port. When Stalin responded that the Chinese might not agree, Roosevelt said he was sure they would as long as it was under "international guarantee." Stalin replied that he thought it sounded like a good idea.

In December 1944, two months before the Yalta Conference, Stalin had a conversation with Ambassador Averell Harriman in Moscow. Stalin now laid out his terms for participation in the war against Japan. He wanted from Japan the southern half of Sakhalin Island and the Kurile Islands. In China, he wanted Soviet leases of both Dairen and Port Arthur as well as control of the Manchurian railroads running from the Soviet border to these ports in southern Manchuria. And he wanted confirmation of the status quo of Outer Mongolia as a Soviet satellite, which it had been since 1921.

On February 8, 1945, on the fifth day of the Yalta Conference, Roosevelt and Stalin held a private meeting attended by their translators (Charles Bohlen, for FDR) as well as Averell Harriman and Vyacheslav Molotov. After discussing a number of topics, Stalin finally said that he wanted to discuss the "political conditions" under which the Soviet Union would enter the war against Japan. FDR said that he had already received a report from Harriman about their conversation in Moscow in December. Roosevelt said that he saw "no difficulty whatsoever in regard to the southern half of Sakhalin and the Kurile Islands going to Russia at the end of the war." He reminded Stalin of his suggestion at Teheran that "the Soviet Union be given the use of a warm water port" at Dairen.

Stalin replied that "there was another question and that involved the use by the Russians of the Manchurian railways." He said that the Czars had had use of the rail line running east-west across the northern half of Manchuria and the rail line running south from the city of Harbin to Dairen and Port Arthur on the Manchurian coast. Stalin said that it was "clear that if these conditions were not met it would be difficult for him and Molotov to explain to the Soviet people why Russia was entering the war against Japan." Furthermore, Stalin wanted "these conditions set forth in writing agreed to by the three powers" before leaving Yalta. In *Witness to History* (1973), Charles Bohlen admitted that Stalin's reference to the opinion of the Soviet people was nonsense. "Everybody knew that all the power in the Soviet Union resided in Stalin, but as a courtesy, no one at the Yalta Conference disputed him."

On February 11, Stalin, Roosevelt and Churchill affixed their signatures to the "top secret" protocol on Soviet entry into the Pacific war:

1. The status quo in Outer-Mongolia (The Mongolian People's Republic) shall be preserved.
2. The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz.:

(a) the southern part of Sakhalin as well as all the islands adjacent to it shall be returned to the Soviet Union,(b) the commercial port of Dairen shall be internationalized, the preeminent interests of the Soviet Union in this port being safeguarded and the lease of Port Arthur as a naval base of the USSR restored,(c) the Chinese-Eastern Railroad and the South-Manchurian Railroad which provides an outlet to Dairen shall be jointly operated by the establishment of a joint Soviet-Chinese Company it being understood that the preeminent interests of the Soviet Union shall be safeguarded and that China shall retain full sovereignty in Manchuria;

3. The Kurile islands shall be handed over to the Soviet Union.It is understood, that the agreement concerning Outer Mongolia and the ports and railroads referred to above will require concurrence of Generalissimo Chiang Kai-Shek. The President [FDR] will take measures in order to obtain this concurrence on advice from Marshall Stalin.

The Heads of the three Great Powers have agreed that these claims of the Soviet Union shall be unquestionably fulfilled after Japan has been defeated.

After the war, when this secret protocol to the Yalta agreements was finally made public, former U. S. Ambassador William C. Bullitt wrote:

At Yalta . . . President Roosevelt broke the pledge which he had made to the Chinese government at Cairo and — secretly, behind the back of China — signed . . . an agreement by which the vital rights of China were sacrificed to Soviet imperialism. . . . In view of Roosevelt's Cairo pledge that Manchuria would be restored to China this secret agreement was entirely dishonorable.

In his book *Special Envoy to Churchill and Stalin: 1941-1946* (1975), Averell Harriman said that at Yalta he had tried to dissuade FDR from accepting the wording in the protocol. He told FDR that he did not like the U.S. endorsing the legitimacy of Soviet "preeminent interests" in Manchuria, pledging itself to seeing that these interests were "safeguarded" and committing itself to assuring that Stalin's territorial claims would be "unquestionably fulfilled" at the end of the war, regardless of Chinese agreement. Roosevelt replied that he "was not disposed to fuss about words." FDR said that "it was just language" and "he was not going to quarrel with Stalin." In clear frustration, Harriman observed: "It was my impression that as long as [FDR] could put his own interpretation on the language, he didn't much care what interpretation other people put on it."

Trading away the rights of other peoples and countries clearly never bothered Franklin Roosevelt's conscience. FDR told Harriman there were "other matters more important, the establishment of the United Nations, for example." And he wasn't going "to use up whatever trading positions he had." No, Stalin's participation in FDR's dream of a global peace organization was far more important than the national independence and personal freedom of tens of millions of people. Those were "trading positions" he was more than willing to just give away to the Soviet dictator.

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<http://www.fff.org/freedom/0895b.asp>



A Chinese Nationalist [Kuomintang] base in Burma in 1950s. Chinese Nationalist army troops who were unable to escape to Taiwan in 1949 fled to Burma where they began peddling opium and narcotics to sustain their military campaign against the Chinese Communists.



American and Nationalist Chinese flags appear in front of the presidential palace in Taipei as U.S. President Dwight Eisenhower visits Generalissimo Chiang Kai-shek in Taipei, Taiwan, Republic of China in June 1960. The United States of America maintained diplomatic relations with the Republic of China on the island of Taiwan from 1949 until 1978, when President Jimmy Carter established diplomatic relations with Communist China. (Photo: <http://ustdc.blogspot.com/2008/06/eisenhower-visit.html>)

“Mao Zedong, on the other hand, was running into serious problems. China’s Great Leap Forward had ended in disaster, and death from starvation was again stalking the land. In December, Liu Shaoqi replaced Mao as President of the People’s Republic. Chiang started to believe that an anti-Communist resistance on the mainland might emerge within the foreseeable future after all. Zhou Enlai, however, acted as if the mainland was becoming more attractive as a retirement site, appealing publicly to the Generalissimo to come home where suitable positions for him and his colleagues would be found. According to the CIA, beginning in 1959, Peking sent one or more secret messages to Taipei; Chiang’s communication to Zhou after the Dulles lecture in October 1958 may have encouraged Zhou to believe there was a change the Generalissimo might be interested in a negotiated deal. In 1964, the CIA said it had no evidence that the Communist offers to Chiang Kai-shek and Chiang Ching-kuo had elicited any response. Nevertheless, the Chiangs again chose not to inform their friend, CIA station chief Ray Cline, of these latest approaches. In March 1959 a major rebellion did erupt in the People’s Republic – but it was in faraway Tibet. The CIA, working secretly out of India and Thailand, as well as Chiang Ching-kuo’s special forces in an independent operation, were providing training and support to dissident Khampa tribesmen and other groups in Tibet. The large-scale uprising began when rumors spread, perhaps by CIA-supported guerrillas, that the Chinese were about to carry the Dalai Lama off to Peking. The Dalai Lama backed the rebellion and he and a large group of other lamas and prominent Tibetans fled to India. Chiang and his son pushed the Americans to allow the Nationalists to participate in the CIA operations, which now greatly expanded...At the end of April, however, Allen Dulles reported to the National Security Council that the rebellion had “pretty well been knocked to pieces.”” – *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 504-506

“The only sizable offensive operations that the Nationalists ever carried out against mainland China were undertaken by General Li Mi, whose 50,000 men had fled into Burma in 1949 and settled down in the remote Shan Hills, married local women, and taken over heroin drug trafficking from local gangs. Li Mi retained his connections with Taipei and the U.S. Office of Policy Coordination (OPC), successor to the OSS. In 1951, he carried out two Burma-based attacks into Yunnan with 2,000 men, some Nationalist Special Forces from Taiwan, and several American OPC agents. The PLA quickly scattered the invaders, who fled back to Burma, where known as the “KMT irregulars,” they resumed their control and protection of the region’s heroin traffic. For Chiang, even in failure the Burma operation had its good results – strengthening the hostility between the United States and the People’s Republic as well as collegial bonds between Nationalist and U.S. agencies. For Truman, too, the Burma operation was a safe way to show that, as the Republicans were demanding, he was using Chiang’s troops somewhere to harass the China beast. But the unfavorable mission did lead to a change in U.S. intelligence operations. The CIA director, Walter Bedell Smith, had opposed the operations as a certain debacle whereas OPC had heartily approved; the failure led to the incorporation of OPC into the CIA...As the American presence on Taiwan grew, Soong Mayling remained her husband’s principal counsel on American matters, a role she had filled since her return to the island in 1950. She was also Chiang’s senior liaison with the chief of the growing CIA station and the director of the Taiwan branch of the NSA. The staffs of the CIA and NSA Taiwan bureaus soon ballooned to a total of more than six hundred Americans. One day, Kai-shek and Mayling discussed how they felt about the cloak-and-dagger Americans and found them “not easy to get along with”; they seemed “impatient and likely to show off.” “We should be careful and endure them,” they concluded.”

The Generalissimo: Chiang Kai-shek and The Struggle for Modern China by Jay Taylor (2009), p. 455-456

“Meanwhile, Chiang continued to worry that the Americans were sinking into an ever deeper quagmire in Vietnam. Ten years earlier, he had predicted that the French, with or without U.S. support, could not win in Indochina. Now, in a long and notable letter to Lyndon Johnson dated November 23, 1964, he wrote that when fighting Communist insurgents, Asian nations “should individually assume the principal responsibility to prosecute the war to a successful end.” Anticipating the Nixon Doctrine, he urged Johnson to provide only U.S. training in the rear, help with operational plans, logistical support, and, “at most...advice and supervision at the front.” The worst case, he warned Johnson, was for the United States to become caught in a protracted war of attrition, which would “impoverish the people [of the country concerned], create social disorder, and...[lead to] hatred of Americans.” Chiang also feared that the American people would have neither the stomach nor the nerves to endure such a war for long. This was a perceptive analysis, albeit one that most informed Americans of the time did not share.”

The Generalissimo: Chiang Kai-shek and The Struggle for Modern China by Jay Taylor (2009), p. 526

“By early 1957, there were 10,000 CIA, military, and other U.S. government personnel and their families in Taiwan. Most lived in and around Taipei. Accompanying this presence was the usual array of support facilities: hospitals, PXs, moviehouses, bowling alleys, baseball fields, schools, and non-commissioned-officer and officer clubs. Numerous military and CIA personnel on temporary duty added to the number of Americans in the Chinese city.”

The Generalissimo: Chiang Kai-shek and The Struggle for Modern China by Jay Taylor (2009), p. 490

“By the middle of 1953 Ho Chi Minh had seized control of most of the Vietnamese countryside. Chinese arms aid to the Vietminh was running at 1,000 tons a month and many PLA technical personnel and advisers were serving secretly with Ho Chi Minh’s forces. With the end of the Korean War in July, Mao poured more artillery and anti-aircraft weapons into the fight. To counter this effort, American aid to the French campaign reached \$1 billion. Eisenhower thought the situation “was not alarming,” but Chiang [Kai-shek] looked at the French and American efforts in the Indochina crisis with a jaundiced eye. In November 1953, in a moment of candor, he told Rankin and a group of visiting Americans that the United States was “expending its resources in Indochina to no purpose whatsoever.” The Far East, he said, would never be stable until the root causes were dealt with – Communist China and the Soviet Union. To the astonishment of his guests, he went on to say categorically that the American attempt to save the French in Vietnam, Laos, and Cambodia was “a pure waste.” Under question from the shocked Americans, Chiang evidently realized that he had gone too far, and he agreed that under the circumstances the United States should try to aid the French – but in fact he continued to believe the odds against success were high. In March 1954, the Vietminh surrounded Dien Bien Phu and the future of Indochina suddenly seemed to hinge on the fate of this beleaguered base. The Chinese rushed to the front more than a hundred additional cannon and 60,000 artillery shells, while from Taiwan the CIA flew CAT planes over Dien Bien Phu, dropping supplies. Admiral Radford and the French military proposed using three nuclear weapons to break the siege. Nixon and Dulles seemed to agree with this idea, but to Eisenhower such a horrific action to save a colonial government in an undeclared war could not possibly be justified. “You boys must be crazy,” he said in a National Security Council meeting. “We can’t use those awful things against Asians for the second time in ten years. My God!” Eisenhower briefly considered asking Chiang Kai-shek to send troops but cast the idea aside because it might have provoked Chinese Communist intervention. Meanwhile, Chiang confided to his journal that the French were doomed and the U.S. strategy was in vain. But he continued to cooperate as requested...Chiang told the Americans that “whether...partition, or general elections are held, or Laos and Cambodia are recognized as neutral, the final result would be the taking over of the entire area by the Communists.” Twenty painful years later, he would be proven correct.”

The Generalissimo: Chiang Kai-shek and The Struggle for Modern China by Jay Taylor (2009), p. 470-472



As Taiwan Defense Minister, Ching-kuo visits President John F. Kennedy (1963).
KMT Central Committee Archives.

Chiang Ching-kuo visits President John F. Kennedy at the White House in 1963.

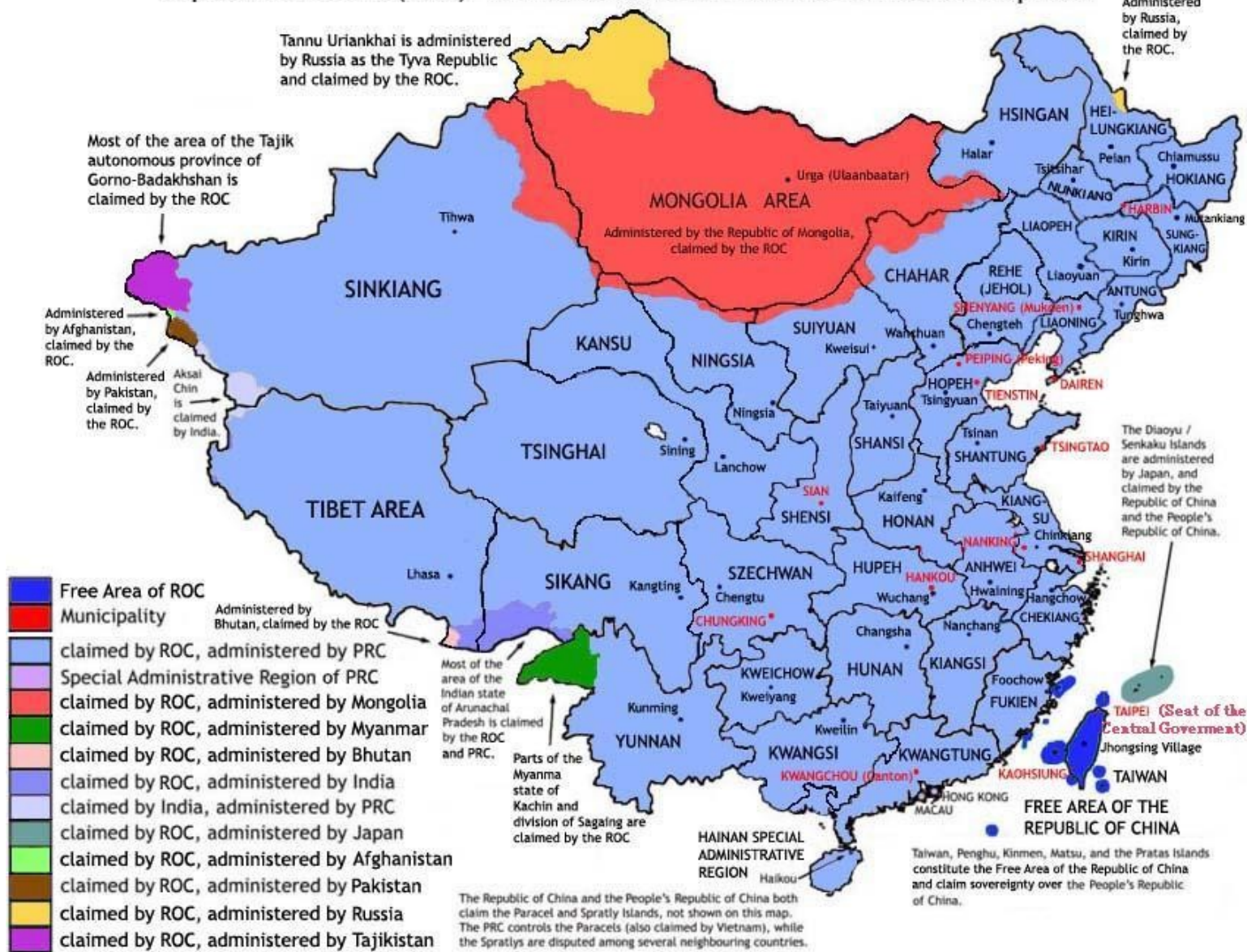
(Source: *The Generalissimo's Son: Chiang Ching-kuo and the Revolutions in China and Taiwan* by Jay Taylor)



President John F. Kennedy attends a dinner in his honor given by Vice President of the Republic of China, Chen Cheng, at the Mayflower Hotel in Washington, D.C. on August 2, 1961. Left to right: Front row: President Kennedy; Vice President Chen; and Vice President Chen's wife Tan Xiang. Those behind the President include Chinese Ambassador to the United States George Kung-chao Yeh (second row, far right) and Secret Service agents, Gerald "Jerry" Behn and Milt Wilhite. George Kung-chao Yeh earned a Bachelor of Arts degree at Amherst College in 1925.

(Photo: Abbie Rowe. White House Photographs. John F. Kennedy Presidential Library and Museum)

Republic of China (ROC): Administrative Divisions & Territorial Disputes



“The disaster of Mao’s Great Leap Forward opened up a political rift within the CCP, which further fanned the flames of radicalization. Beginning with the purge of General Peng Dehuai, a faction led by Mao’s wife, Jiang Qing, and Lin Biao sought to advance itself by catering to the Chairman’s Manichean views and megalomania. In sum, an amorphous chemistry of internal, external, and idiosyncratic developments combined to create a vicious storm – the Great Proletarian Cultural Revolution. On June 16, 1966, a remarkable period of officially sanctioned chaos began to sweep over China and every school, office, shop, and factory – every organizational unit of the society except for the PLA and agricultural villages, which Mao and the military leaders isolated from the troubles. Youth and workers were exhorted to use mob and kangaroo justice to cleanse their institutions of revisionist, antiparty leaders, as well as others in authority such as teachers... In the prevailing madness, Mao and the Communists seemed to Chiang to be revealing their true natures. But unlike his reaction to the troubles in China fostered by the Great Leap, he did not call for U.S. support of an attack across the Strait; instead he told the visiting Secretary of State Rusk that in view of the recent purges and resulting “restiveness” inside China, he and his people could “afford to wait for an opportunity” to recover the mainland. The Cultural Revolution seemed so irrational that almost anything could happen, even the breakup of China into warring regions. In addition to his understanding from the beginning that a counterattack was wholly unrealistic militarily, it was now apparent that a serious armed attack by the Nationalists might well unite the bitterly divided Communists. Chiang believed the best strategy was to wait patiently and enjoy the spectacle of Mao shredding his own image and that of the CCP. By early 1967, an open power struggle seemed under way throughout China and various military and provincial leaders were successful in thwarting Mao’s control in their regions or institutions. The role of the PLA in putting down the Red Guards was growing rapidly.”

– *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor (2009), p. 531-532

Transcript of U.S. President James Earl Carter's address to the nation on December 15th, 1978, in which he officially announced the recognition of the People's Republic of China by the United States:

Good evening. I would like to read a joint communique which is being simultaneously issued in Peking at this moment by the leaders of the People's Republic of China:

JOINT COMMUNIQUE ON THE ESTABLISHMENT OF DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA – JANUARY 1, 1979

The United States of America and the People's Republic of China have agreed to recognize each other and to establish diplomatic relations as of January 1, 1979.

The United States of America recognizes the government of the People's Republic of China as the sole legal government of China. Within this context, the people of the United States will maintain cultural, commercial and other unofficial relations with the people of Taiwan.

The United States of America and the People's Republic of China reaffirm the principles agreed on by the two sides in the Shanghai Communique and emphasize once again that:

Both wish to reduce the danger of international military conflict.

Neither should seek hegemony in the Asia-Pacific region or in any other region of the world and each is opposed to efforts by any other country or group of countries to establish such hegemony.

Neither is prepared to negotiate on behalf of any third party or to enter into agreements or understandings with the other directed at other states.

The government of the United States of America acknowledges the Chinese position that there is but one China, and Taiwan is part of China.

Both believe that normalization of Sino-American relations is not only in the interest of the Chinese and American Peoples but also contributes to the cause of peace in Asia and the world.

The United States of America and the People's Republic of China will exchange ambassadors and establish embassies on March 1, 1979.

Yesterday, the United States of America and the People's Republic of China reached this final historic agreement.

On January 1, 1979, our two governments will implement full normalization of diplomatic relations.

As a nation of gifted people who comprise one-fourth of the population of the earth, China plays an important role in world affairs -- a role that can only grow more important in the years ahead.

We do not undertake this important step for transient tactical or expedient reasons. In recognizing that the government of the People's Republic is the single government of China, we are recognizing simple reality. But far more is involved in this decision than a recognition of reality.

Before the estrangement of recent decades, the American and Chinese people had a long history of friendship. We have already begun to rebuild some of those previous tiers. Now, our rapidly expanding relationship requires the kind of structures that diplomatic relations will make possible.

The change I am announcing tonight will be of long-term benefit to the peoples of both the United States and China -- and, I believe, too all the peoples of the world.

Normalization -- and the expanded commercial and cultural relations it will bring with it -- will contribute to the well-being of our own Nation, and will enhance stability in Asia.

These more positive relations with China can beneficially affect the world in which we and our children will live.

We have already begun to inform our allies and the Congress of the details of our intended action. But I wish also to convey a special message to the people of Taiwan, with whom the American people have had and will have extensive, close and friendly relations.

As the United States asserted in the Shanghai Communique of 1972, we will continue to have an interest in the peaceful resolution of the Taiwan issue.

I have paid special attention to ensuring that normalization of relations between the United States and the People's Republic will not jeopardize the well-being of the people of Taiwan.

The people of the United States will maintain our current commercial cultural and other relations with Taiwan through non-governmental means. Many other countries are already successfully doing so.

These decisions and actions open a new and important chapter in world affairs.

To strengthen and to expedite the benefits of this new relationship between the People's Republic of China and the United States, I am pleased to announce that Vice Premier Teng has accepted my invitation to visit Washington at the end of January. His visit will give our governments the opportunity to consult with each other on global issues and to begin working together to enhance the cause of world peace.

These events are the result of the long and serious negotiations begun by President Nixon in 1972, and continued by President Ford. The results best witness to the steady, determined bipartisan effort of our own country to build a world in which peace will be the goal and the responsibility of all countries.

The normalization of relations between the United States and China has no other purpose than this -- the advancement of peace.

It is in this spirit, at this season of peace, that I take special pride in sharing this news with you tonight.

<http://ustdc.blogspot.com/search?updated-min=2007-01-01T00%3A00%3A00-06%3A00&updated-max=2008-01-01T00%3A00%3A00-06%3A00&max-results=50>



U.S. President Jimmy Carter (left), former U.S. President Richard Nixon (second from left), and Red Chinese Deputy Premier Deng Xiaoping (right) speak at a state dinner in honor of Deng's visit to the United States in Washington, D.C. on January 29, 1979. This visit followed America's establishment of full diplomatic relations between the United States and Communist China at the expense of severing diplomatic relations with the Republic of China (also known as Free China). (Bettmann/CORBIS)



Legislators from the ruling Nationalist Party (KMT) and opposition Democratic Progressive Party (DPP) engage in a brawl during a session in the parliament in Taipei, Taiwan, Republic of China on January 18, 2010. Fist fights in the parliament occur regularly since 1987, when Chiang Ching-kuo lifted martial law in 1987. The island of Taiwan and offshore islands of Pescadores, Quemoy, and Matsu are the only part of China not under Communist rule and the only part of China to hold free elections; Republic of China is informally known as "Free China." (AP Photo)



In this April 1, 2001 file photo, the Dalai Lama (left) and then-Taipei City Mayor Ma Ying-jeou greet each other as the Dalai Lama visits the mayor at Taipei City Government office in Taipei, Taiwan, Republic of China. (AP Photo)



President of the Republic of China Chen Shui-bian (R), a member of the “pro-independent” Democratic Progressive Party, speaks with Raymond F. Burghardt, Chairman of the American Institute at the presidential office in Taipei, Taiwan, Republic of China on June 14, 2007. Chen Shui-bian was sentenced to life in prison on money laundering and corruption charges. Raymond F. Burghardt served as the U.S. Ambassador to Vietnam (2001-2004) and the U.S. Consul-General in Shanghai (1997-1999). (Getty Images)



A handout photograph shows (front row, L-R) former President of the Republic of China Lee Teng-hui, President of the Republic of China Ma Ying-jeou, Vice-President Vincent Siew, and Chairman of the Nationalist Party (KMT) Wu Poh-hsiung attending a commemoration ceremony marking the 100th anniversary of the birth of former President Chiang Ching-kuo, at the Presidential Office in Taipei, Taiwan, Republic of China on April 13, 2009. Chiang Ching-kuo was the son of Generalissimo Chiang Kai-shek. Lee Teng-hui received a Ph.D. at Cornell University in 1968. Lee Teng-hui was a member of the Chinese Communist Party in 1946 and joined the Communist Party out of hatred of the Kuomintang; Lee Teng-hui acknowledged in an [interview in 2002](#) that he is “a strong opponent of communism because he understands it so well that he knows the political theory [communism] is doomed to fail.” (Reuters)



Left photo: A South Korean protester holds a placard with a picture of North Korean tyrant Kim Jong-Il during an anti-North Korea rally in Seoul on June 25, 2007 to mark the 57th anniversary of the outbreak of the 1950-1953 Korean War. The protest comes amid a flurry of diplomacy to push for quick progress on a six-nation deal on disabling North Korea's nuclear weapons program. The Chinese Communists continue to support Kim Jong Il's regime and the North Korean military. Kim Il Sung's invasion of North Korea in June 1950 prevented Mao Tse-tung from invading the island of Taiwan and vanquishing Chiang Kai-shek and the Republic of China. ([AFP/Getty Images](#))



Right photo: Chinese patriots burn the Chinese Communist flag in March 2005 as they protest against the illegal Communist regime that continues to occupy mainland China since October 1949. The Chinese Communists have brutally murdered at least 50 million Chinese people and openly murdered thousands of Chinese students in Tiananmen Square in Beijing (Peking) on June 4, 1989. (Photo by [Sean Chao/Taipei Times](#))



Left photo: U.S. Army General Douglas MacArthur greets Nationalist Chinese General Sun Li-jen in Taipei in 1950, shortly after the outbreak of the Korean War, as Generalissimo Chiang Kai-shek appears in the background.

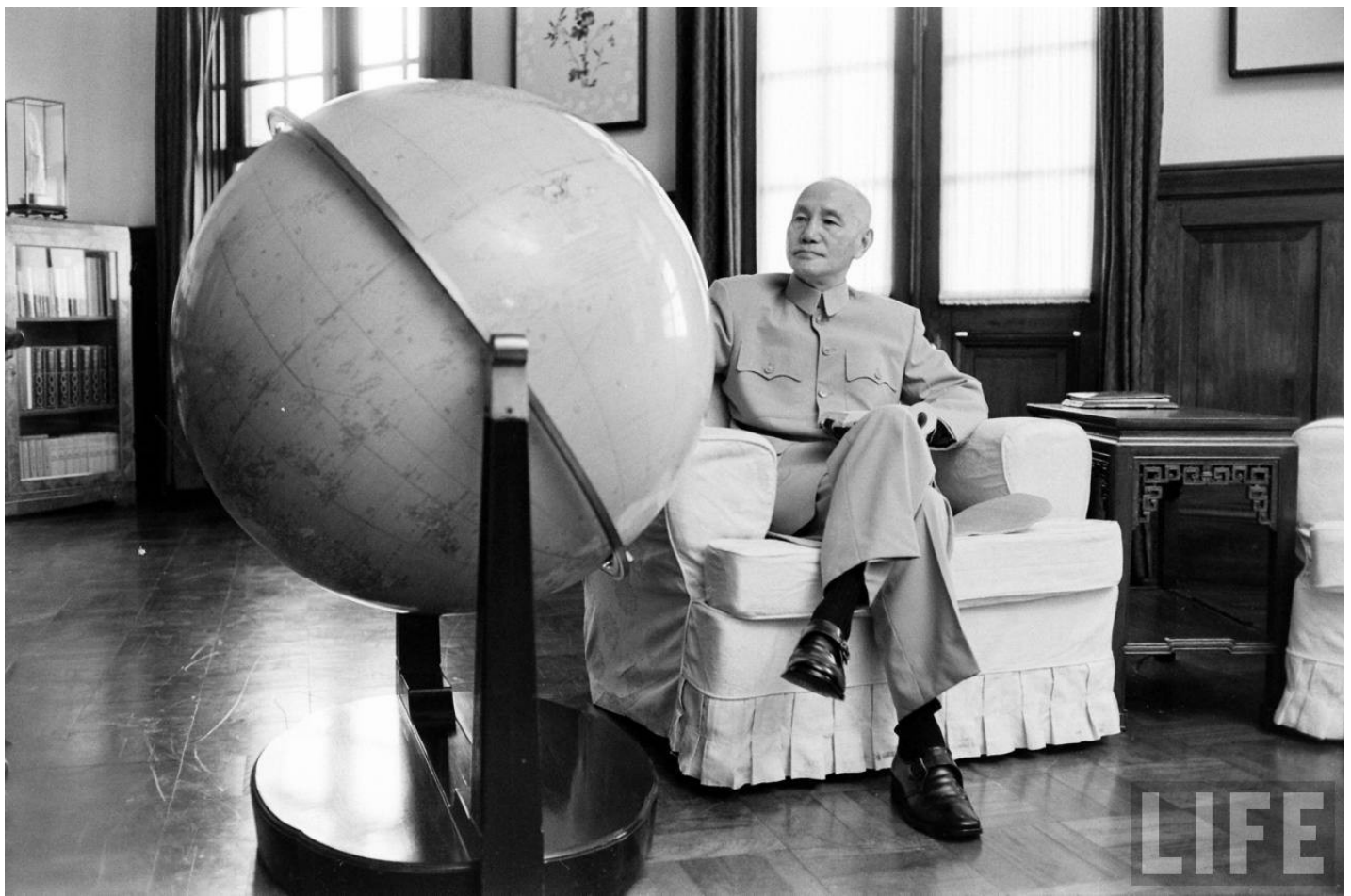


Right photo: A group of Chinese people in the Republic of China (Taiwan) watch as a minivan driver desecrates the Chinese Communist flag. (Photo: <http://katysconservativecorner.typepad.com/katy/communism/>)



The Generalissimo, Madame Chiang, and their family—except for the then-unacknowledged twin sons of Ching-kuo and the twins' children—ca. 1965. Courtesy KMT Party Historical Institute.

Chiang Family Portrait. Chiang Kai-shek appears with his wife Madame Chiang Kai-shek, his son Chiang Ching-kuo (standing, fifth from right), his adopted son Chiang Wei-kuo (standing, fifth from left), Chiang Ching-kuo's Russian-born wife Faina Chiang (standing, center), and his grandchildren. Chiang Ching-kuo lived in the Soviet Union for almost 13 years; Chiang Wei-kuo served in the Nazi German Wehrmacht and participated in the Anschluss before World War II. (Source: *The Generalissimo: Chiang Kai-shek and The Struggle for Modern China* by Jay Taylor)



Generalissimo Chiang Kai-shek studies the globe at his office in 1961 as he attempts to reclaim mainland China. (Photo: John Dominis/Time Life)



Generalissimo Chiang Kai-shek (right) attends a church service in mainland China in December 1948. (Photo: Jack Birns/Time Life)



Left photo: Chiang Kai-shek and his son Chiang Ching-kuo pose for a formal portrait.

Right photo: Dr. Sun Fo, posing beneath a painting of his father in Chungking, China in February 1941. (Photo: Carl Mydans/Time Life)



Under a special act of Congress granting the right to certain foreign officers to study air tactics, Lieutenant Chiang Wei-kuo, the adopted son of Nationalist China's Generalissimo Chiang Kai-shek, is taking a course in advanced air combat tactics at the Maxwell Field School in Montgomery, Alabama, United States of America on April 29, 1940. Lieutenant Chiang Wei-kuo is seen seated at his desk during a class in ground tactics, as he fits himself for China's struggle against the invader. (© Bettmann/CORBIS)



Major General Chiang Wei-kuo, the adopted son of China's Generalissimo Chiang Kai-shek (President of the Republic of China on Taiwan), is shown on July 3, 1953 telling an interesting story about a picture of his father which he is holding. Major General Chiang enrolled in the regular course at the Command and General Staff College (CGSC) at Fort Leavenworth, Kansas, U.S.A., which started early in September 1953. (© Bettmann/CORBIS)



Nationalist China's Premier Chen Cheng (2L) and diplomat Dr. Hu Shih (2R) inspect a corn field on the island of Taiwan in February 1959. Chen Cheng, a former Nationalist Chinese army general who served as the governor of the island of Taiwan in 1949, implemented a land reform program on the island of Taiwan that allowed native farmers to own land and assisted former landlords to develop factories and industries in Taiwan. (Photo: John Dominis/Time Life)



Chen Cheng, the Premier of the Republic of China (Taiwan) visits Chinatown in New York City in August 1961.
(Photo by Carl Mydans/Time Life)



Chen Cheng (standing in front of a museum rope), the Vice President of the Republic of China (Taiwan) (March 12, 1954–March 5, 1965) and Premier of the Republic of China (Taiwan) (March 7, 1950–June 7, 1954, June 30, 1958–December 15, 1963), examines a portrait of George Washington and his family during his visit to Washington, D.C. in 1961.
(Photo: Edward Clark/Time Life)



(NY20-March 12) ROYAL VISITOR TO FORMOSA--Chinese nationalist president Chiang Kai-shek escorts 23-year-old King Hussein on the Jordan monarch's arrival in Taipei for a state visit. The youthful King Hussein is on a world tour. (AP Wirephoto) (jdc51350ho) 1959

Generalissimo Chiang Kai-shek, the President of the Republic of China, appears with King Hussein of Jordan in Taipei, Taiwan, Republic of China on March 12, 1959. (AP Wirephoto)

(Photo: http://www.ebay.com/itm/1959-Press-Photo-Chiang-Kai-Shek-Escort-King-Hussein-Jordan-/350675762302?pt=Art_Photo_Images&hash=item51a5e77c7e)



Generalissimo Chiang Kai-shek salutes to members of the Nationalist Chinese armed forces during the Double Ten Day Parade October 10, 1966. (Photo by Les Duffin/[Wikipedia](#))



Chiang Fang-liang (standing, left), better known to her fellow Russian childhood friends as Faina Ipat'evna Vakhreva, was the wife of Chiang Ching-kuo (standing, right) and the First Lady of the Republic of China (Taiwan) from 1978 to 1988. Chiang Ching-kuo, the son of Generalissimo Chiang Kai-shek (front, center), lived in the Soviet Union for almost 13 years. Chiang Ching-kuo returned to China with his Russian-born wife Faina in April 1937.



National Dr. Sun Yat-sen Memorial Hall (國立國父紀念館) in Taipei, Taiwan, Republic of China



Sun Yat-sen Memorial in Nanking (Nanjing), mainland China

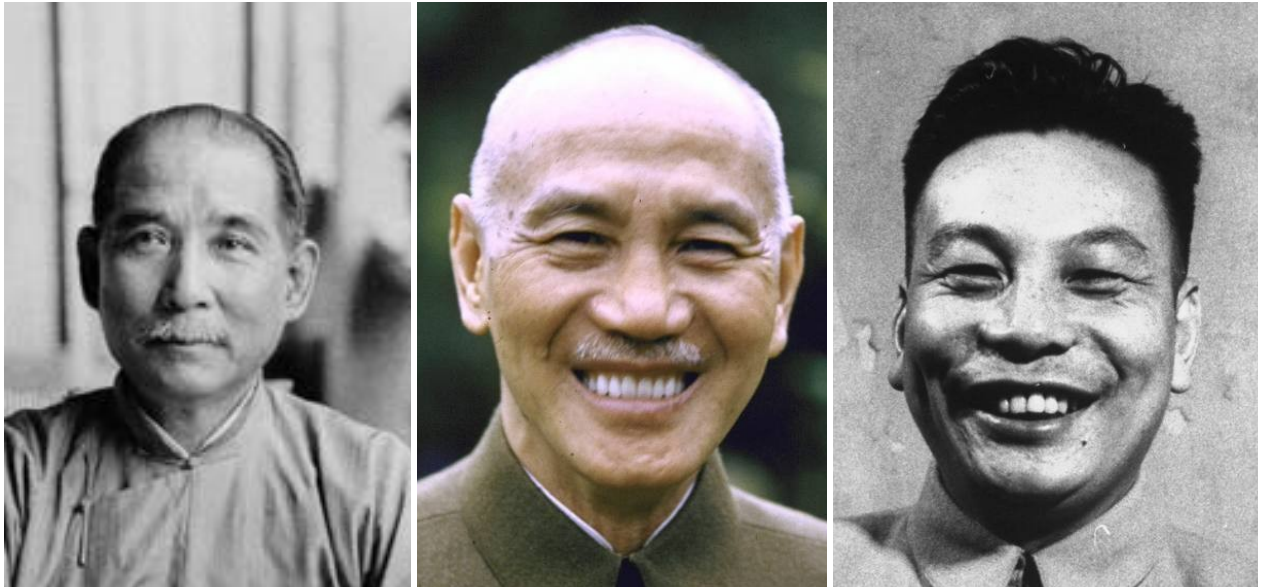


National Chiang Kai-shek Memorial Hall in Taipei, Taiwan, Republic of China



National Chiang Kai-shek Memorial Hall (國立中正紀念堂) in Taipei (台北), Taiwan (台灣), Republic of China (中華民國). The flag of the Republic of China (red-white-blue flag) is the same Chinese flag that represented mainland China during World War II.

POWERBROKERS OF NATIONALIST CHINA



Left to right: Dr. Sun Yat-sen (孫逸仙), Chiang Kai-shek (蔣介石), Chiang Ching-kuo (蔣經國)



American-educated Chinese statesmen, left to right: Dr. Sun Fo (孫科, B.A. Berkeley 1916, M.S. Columbia 1917), T.V. Soong (宋子文, A.B. Harvard 1915), H.H. Kung (孔祥熙, B.A. Oberlin 1906, M.A. Yale 1907), and Dr. V.K. Wellington Koo (顧維鈞, B.A. Columbia 1908, M.A. Columbia 1909, Ph.D. Columbia 1912)



Soong Sisters, left to right: Soong Ching-ling (宋慶齡; Madame Sun Yat-sen, A.B. Wesleyan College 1913), Soong Mei-ling (宋美齡; Madame Chiang Kai-shek, B.A. Wellesley College 1917), Soong Ai-ling (宋藹齡; Madame H.H. Kung, A.B. Wesleyan College 1909)

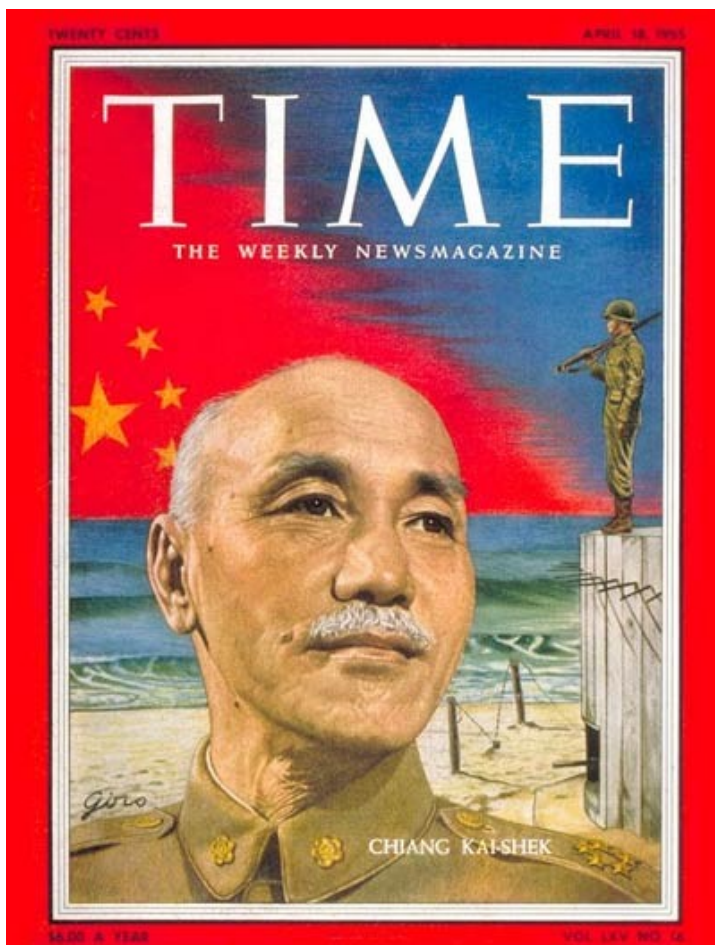


Generalissimo Chiang Kai-shek (L) and Madame Chiang Kai-shek relax with their dog at their temporary residence in Chungking, China in February 1941. (Carl Mydans/Time Life Pictures)

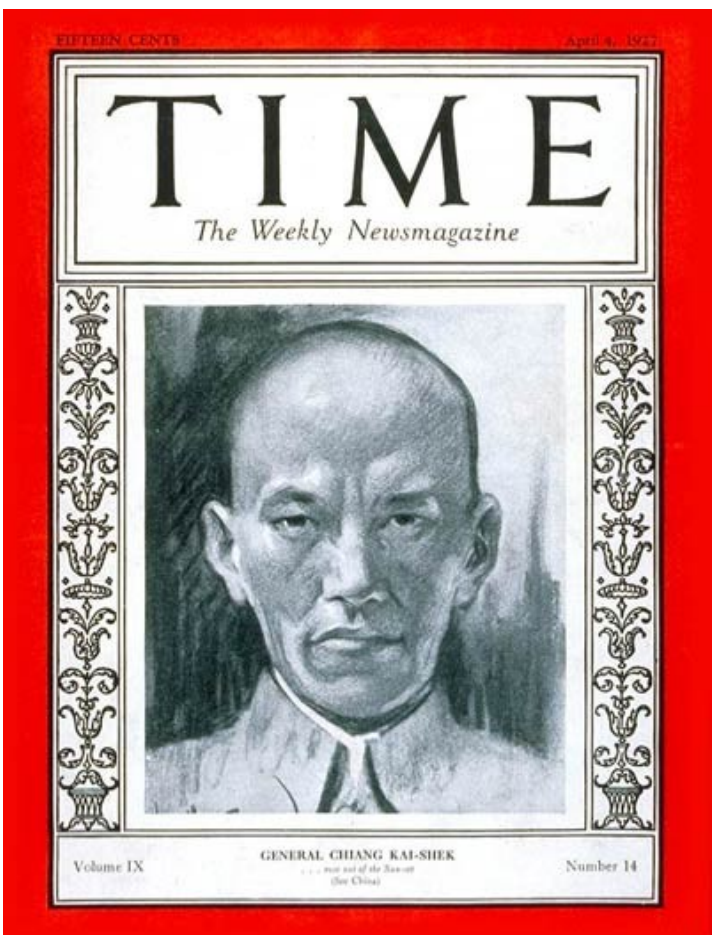


LIFE

Generalissimo Chiang Kai-shek and Madame Chiang Kai-shek eat with ivory chopsticks at their home in Chungking, China in 1941. (Photo: Carl Mydans/Time Life)



Generalissimo Chiang Kai-shek appears on Time magazine – April 18, 1955 edition (left) and September 3, 1945 edition (right)



Generalissimo Chiang Kai-shek appears on Time magazine – June 1, 1942 edition (left) and April 4, 1927 edition (right). The Shanghai Massacre occurred in Shanghai on April 12, 1927.



Madame Chiang Kai-shek [Soong Mei-ling] (left, March 1, 1943 edition) and her brother T.V. Soong (right, December 18, 1944 edition)



Left: Chiang Kai-shek and his wife Madame Chiang Kai-shek appear on the front cover of the October 26, 1931 edition of *Time* magazine.

Council on Foreign Relations & Republic of China



Generalissimo Chiang Kai-shek (left) appears with Allen W. Dulles, Director of the Central Intelligence Agency, in Taipei, Taiwan, Republic of China during the 1950s.

(Photo: Allen W. Dulles Papers, Seeley G. Mudd Manuscript Library at Princeton University)

Allen W. Dulles was a director of the Council on Foreign Relations from 1927 until his death in 1969. Generalissimo Chiang Kai-shek was a close friend of Chinese gangster and drug dealer “Big Ears” Tu Yue-sheng; “Big Ears” Tu Yue-sheng was a close friend of Italian gangster Lucky Luciano. Lucky Luciano was a close friend of New York City gangster Meyer Lansky. Allen W. Dulles was a member of the Warren Commission.



Allen W. Dulles (2nd right), Director of the Central Intelligence Agency, is seen dining with Madame Chiang Kai-shek (3rd right), Chiang Ching-kuo (right), and Generalissimo Chiang Kai-shek (left) at a party in Taipei, Taiwan, Republic of China during the 1950s. (Photo: Allen W. Dulles Papers, Seeley G. Mudd Manuscript Library at Princeton University)



U.S. President Harry S. Truman (left) sits with Chinese Ambassador to Great Britain Dr. V.K. Wellington Koo (center) and Under Secretary of State Joseph C. Grew (right) in the Oval Office at the White House in Washington, D.C., U.S.A. in July 1945. **Joseph C. Grew was a member of the Council on Foreign Relations and a Harvard graduate.** Dr. V.K. Wellington Koo [Ku Wei-chun] earned a Ph.D. at Columbia University in 1912. (Photo: Marie Hansen/Time Life)



Left to right: ECA Administrator Paul G. Hoffman, Generalissimo Chiang Kai-shek, Li Tsung Jen, and U.S. Ambassador to the Republic of China J. Leighton Stuart sit on a couch at a dinner party in China in November 1948. Paul G. Hoffman was a member of the Council on Foreign Relations, an internationalist organization in New York City. Chiang Kai-shek moved the Chinese Nationalist government to Taipei on the island of Taiwan in 1949 to avoid surrendering to the Chinese Communists. Various members of the Council on Foreign Relations worked behind the scenes to undermine Chiang Kai-shek and install Mao Tse-tung as the head of mainland China. (Jack Birns/Time Life Pictures/Getty Images)



Left: U.S. Vice President Richard Nixon presents a gift to Chinese President and Generalissimo Chiang Kai-shek on November 9, 1953. Richard Nixon was a member of the Council on Foreign Relations from 1961 to 1964. Richard Nixon visited Communist China in 1972 as President of the U.S. and met with "Chairman" Mao Tse-tung and Chou Enlai.



Right: U.S. Vice President Richard Nixon appears with Generalissimo Chiang Kai-shek on the reviewing stand in Formosa on February 4, 1954. (Bettmann/CORBIS)



President Dwight D. Eisenhower (second from left) walks with Generalissimo Chiang Kai-shek (right) and Madame Chiang Kai-shek during his visit to Taiwan, Republic of China in June 1960. Council on Foreign Relations member Henry Kissinger and George H.W. Bush would abandon the Republic of China and give aid and comfort to the Chinese Communists in Beijing. The United States government maintained diplomatic relations with the Republic of China during World War II and after World War II until President Jimmy Carter severed diplomatic relations with the Republic of China in 1978. (Photo by Hank Walker/Time Life Pictures/Getty Images)



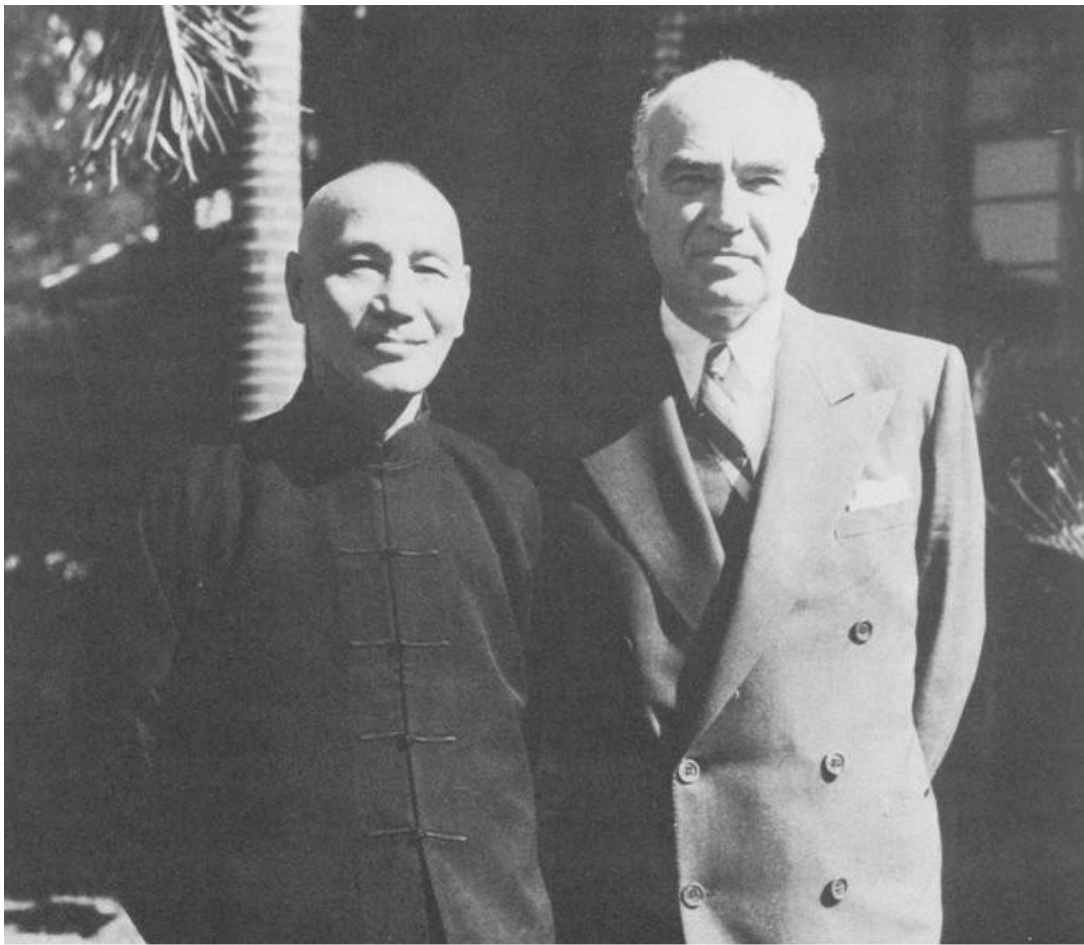
A Chinese edition of the "Crusade in Europe," which was authored by President Dwight D. Eisenhower, was presented to him at a White House ceremony on September 30, 1953. Looking at the book here are (left to right): President Eisenhower; Dr. V.K. Wellington Koo, the Chinese Ambassador to the U.S.; and Lt. General Chiang Ching-kuo, son of Generalissimo Chiang Kai-shek. (© Bettmann/CORBIS)



Madame Chiang Kai-shek (L) speaks with Professor Owen Lattimore in Chungking, China in 1941. Owen Lattimore was a member of the Council on Foreign Relations. (Photo by Carl Mydans/Time Life)



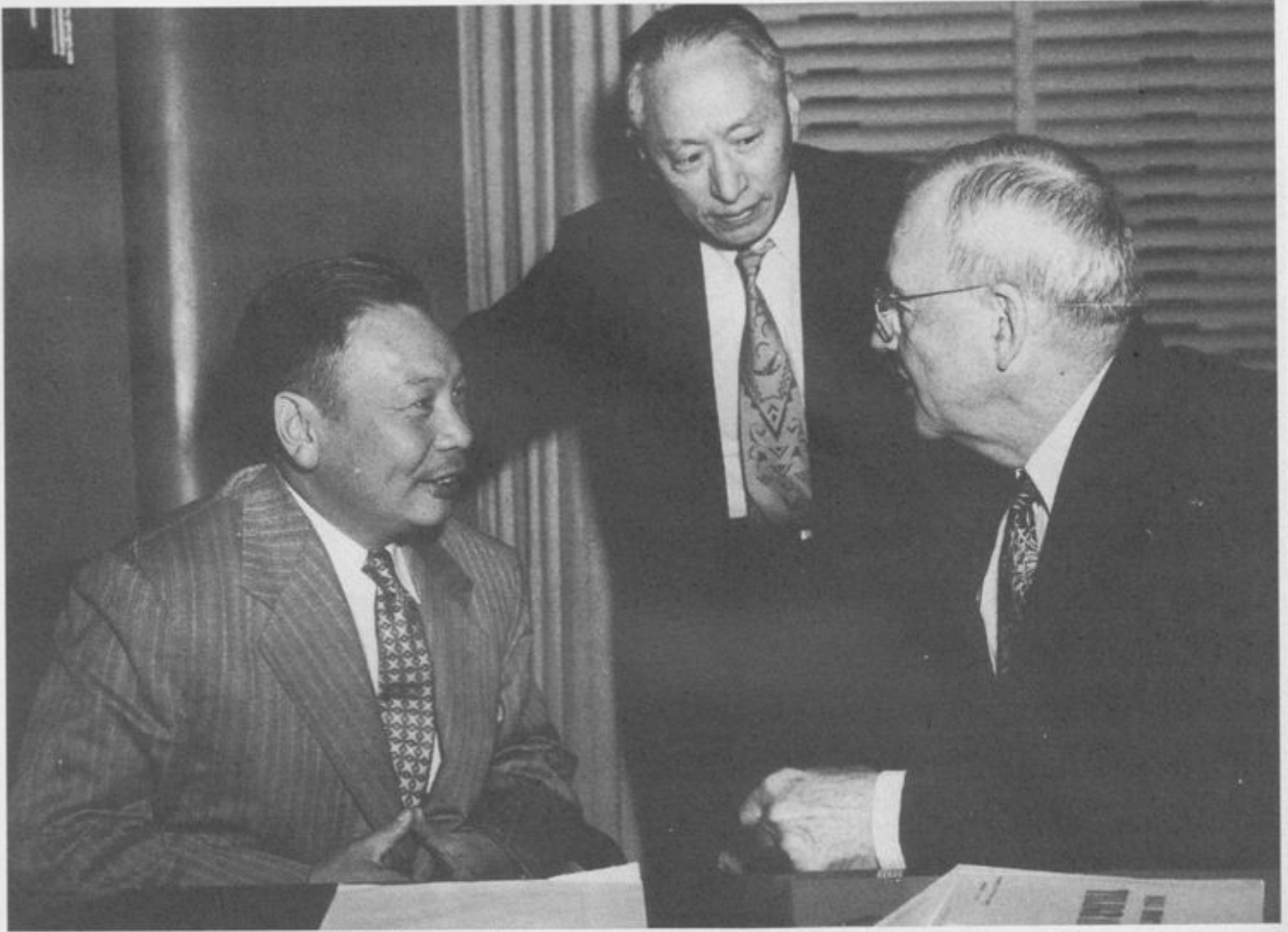
Madame Chiang Kai-shek gives Lauchlin Currie (left) a lemon for his tea in Chungking, China in February 1941. Lauchlin Currie would be identified as a Communist agent and spend the rest of his life in exile in Colombia. Lauchlin Currie was a member of the Council on Foreign Relations. (Photo by Carl Mydans/Time Life)



Henry Luce, the Editor-in-Chief of Time magazine, appears with Generalissimo Chiang Kai-shek (left), President of the Republic of China. Henry Luce was a member of the Council on Foreign Relations and a member of Skull & Bones.



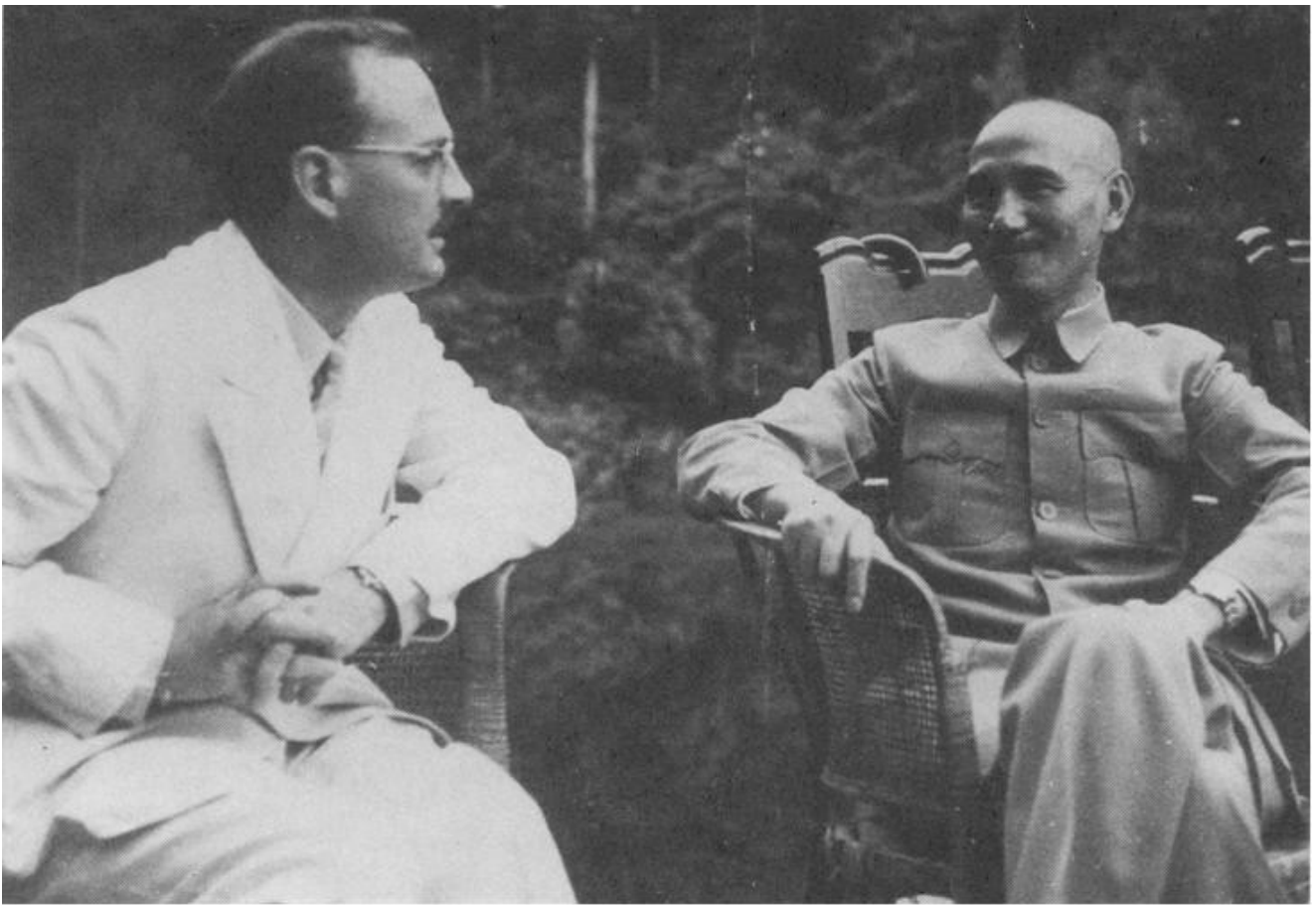
Former Democratic Party presidential candidate Adlai E. Stevenson shakes hands with Chiang Kai-shek in Taiwan, Republic of China in 1953. Adlai E. Stevenson was a member of the Council on Foreign Relations. The Council on Foreign Relations adopted a policy calling for normalization of relations (diplomatic and economic) with Communist China while abandoning the Chinese Nationalists.



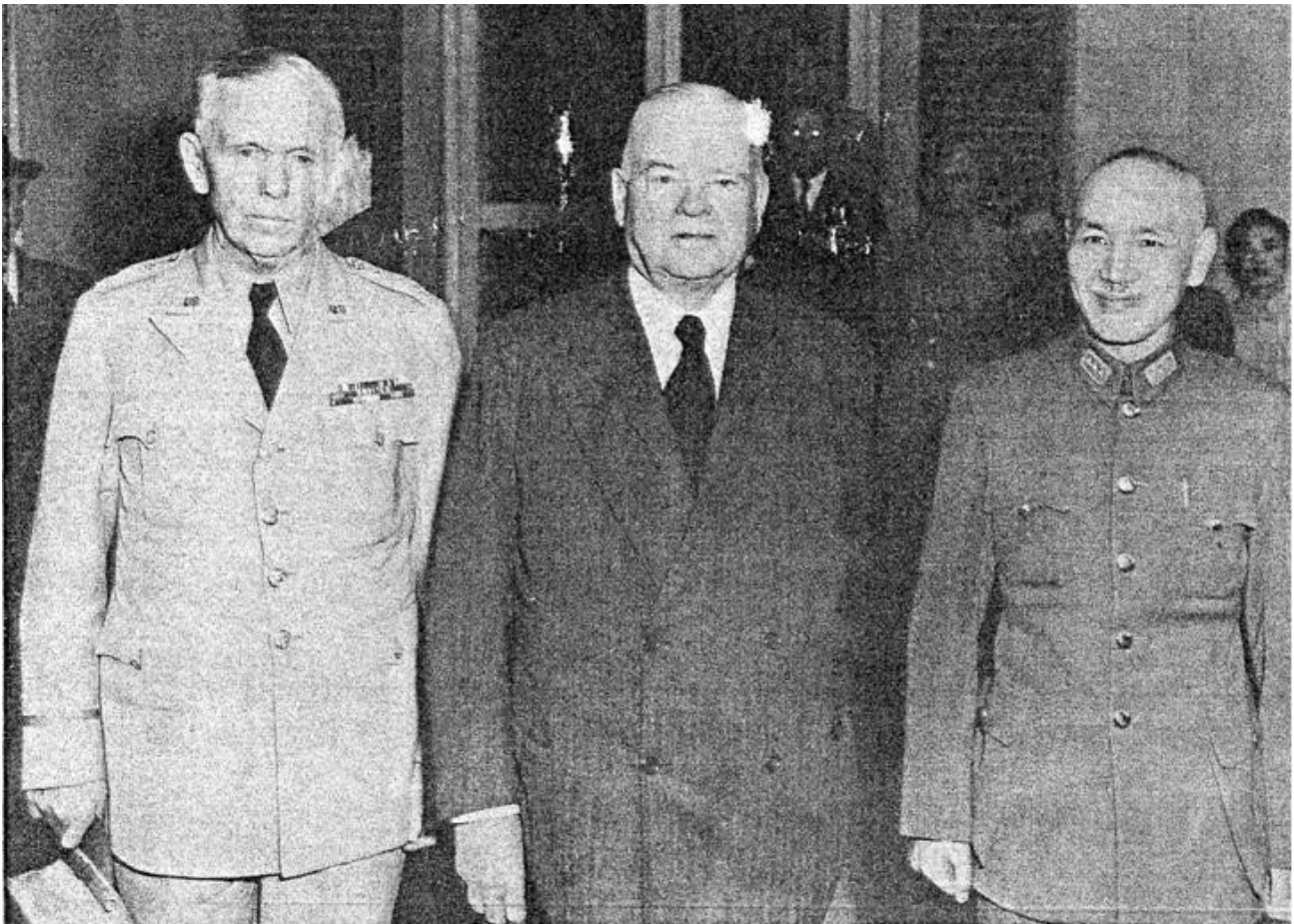
Deputy Defense Minister Chiang Ching-kuo (left), Ambassador Wellington Koo, and Secretary of State John Foster Dulles (1953). *KMT Central Committee Archives.*

Nationalist China's Defense Minister Chiang Ching-kuo, the son of Chiang Kai-shek, meets with Secretary of State John Foster Dulles in 1953. Wellington Koo attended the Paris Peace Conference in 1919. John Foster Dulles was a member of the Council on Foreign Relations.

(Source: *The Generalissimo's Son: Chiang Ching-kuo and the Revolutions in China and Taiwan* by Jay Taylor)



Owen Lattimore (left) meets with Generalissimo Chiang Kai-shek in Chungking, China in September 1941. Owen Lattimore was a member of the Council on Foreign Relations.



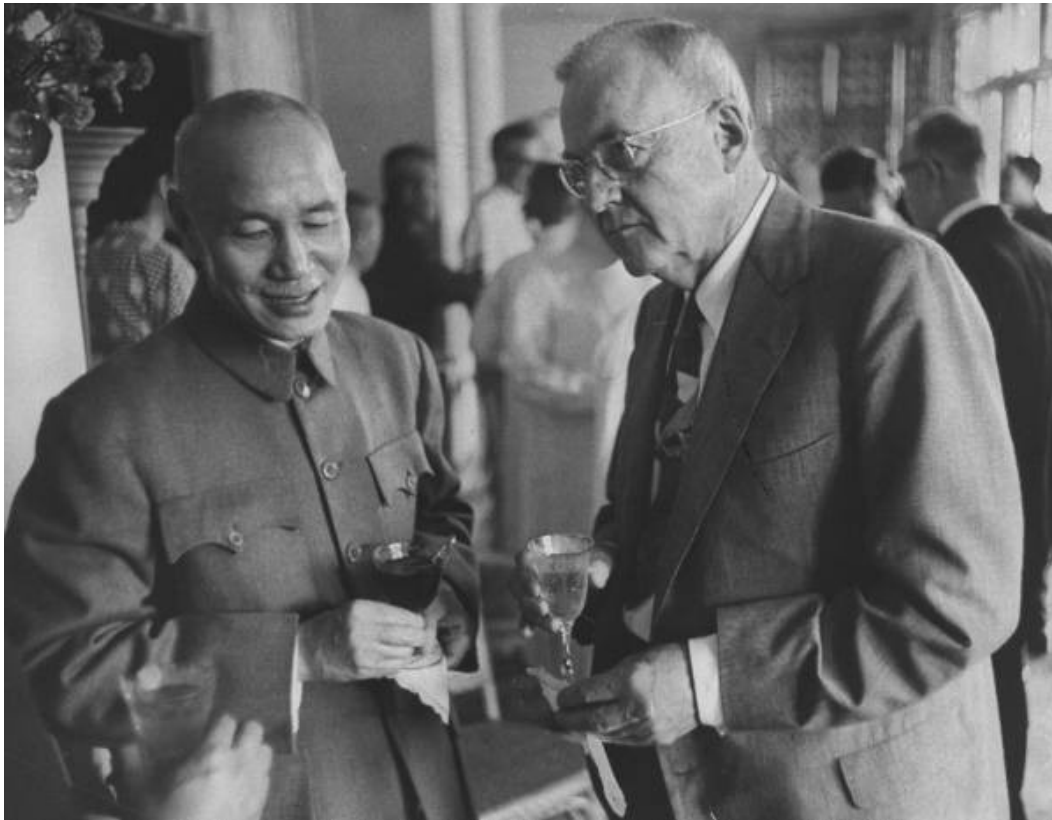
Left to right: U.S. Army General George C. Marshall, former U.S. President Herbert Hoover, and Generalissimo Chiang Kai-shek pose for a photograph. Herbert Hoover was a member of the Council on Foreign Relations.



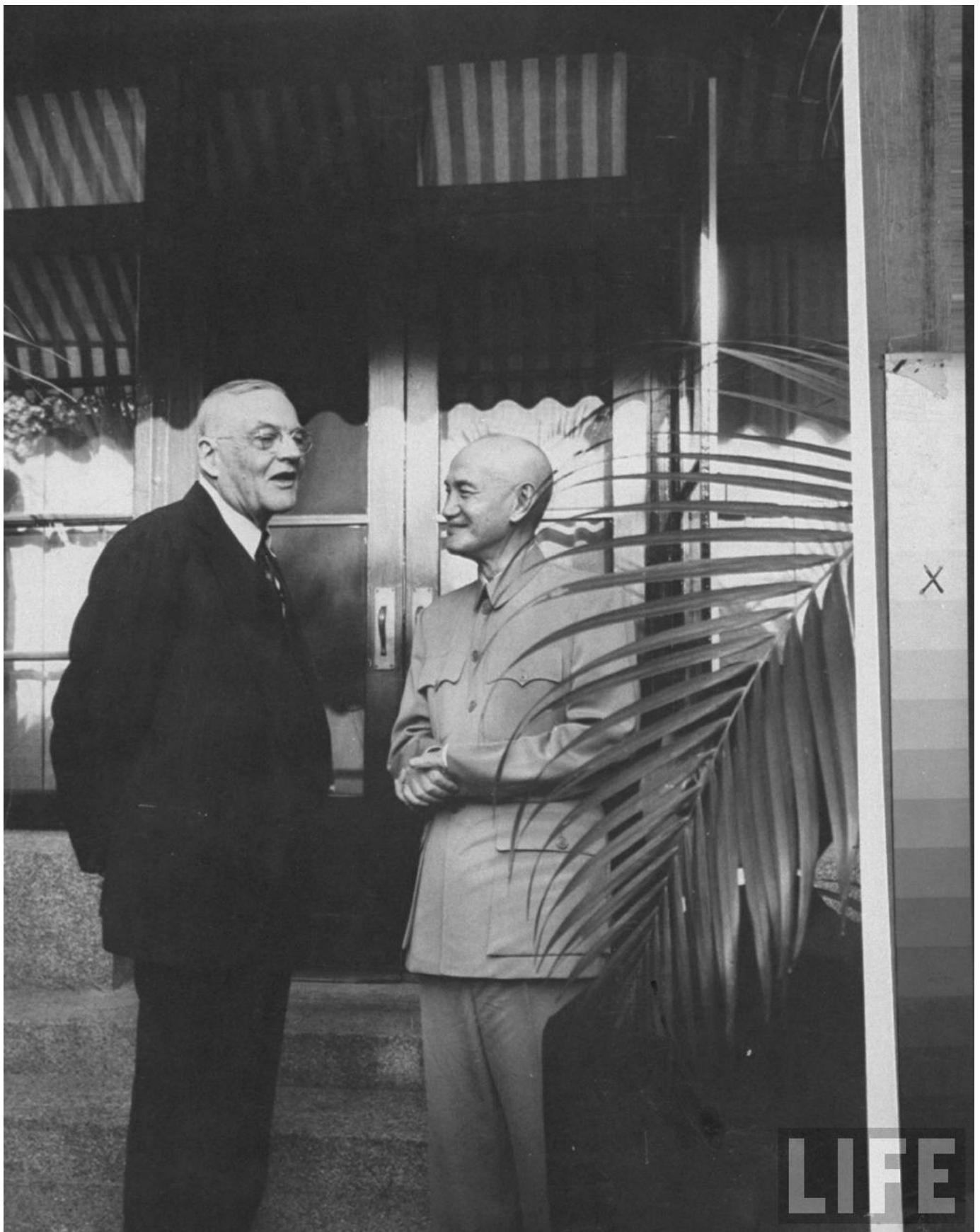
Left photo: U.S. Secretary of State John Foster Dulles (L) shakes hands with Nationalist China's Vice President Chen Cheng (陳誠) (R) in 1958. (Photo: James Burke/Time & Life Pictures/Getty Images)



Right photo: Secretary of State Dean Rusk (left) and Nationalist China's Vice President Chen Cheng attend a party in Washington, D.C. in 1961. Dean Rusk was a member of the Council on Foreign Relations. (Photo: Edward Clark/Time Life)



Secretary of State John Foster Dulles (right) meets with Generalissimo Chiang Kai-shek (left) in Formosa [Taiwan], Republic of China in March 1955. (Photo by Howard Sochurek/Time Life Pictures/Getty Images)



U.S. Secretary of State John Foster Dulles (left) chats with Generalissimo Chiang Kai-shek (right) in Taipei, Taiwan, Republic of China in October 1958. (Photo: James Burke/Time Life)



(NY 11-Apr 16) CHIANG KAI-SHEK AND RUSK RENNEW ACQUAINTANCE--Nationalist China President Chiang Kai-shek and U. S. Secretary of State Dean Rusk, left, confer in Taipei, Formosa today--their first meeting in 20 years. They met in Chungking, China during World War II when Rusk was a U.S. Army Colonel and Chiang was leading his country in war against Japan. Rusk said he brought firm assurances of continued U.S. support of Nationalist China. He leaves tomorrow for South Viet Nam after a one-day visit to Formosa. (AP Wirephoto via radio from Taipei) (See AP wire story) 1964

Generalissimo Chiang Kai-shek, the President of the Republic of China, meets with U.S. Secretary of State Dean Rusk in Taipei, Taiwan, Republic of China on April 16, 1964. (AP Wirephoto)

(Photo: http://www.ebay.com/itm/1964-China-President-Chiang-Kai-Shek-Wire-Photo-/350698319177?pt=Art_Photo_Images&hash=item51a73fad49)



During an October 7, 1986 interview with Katharine Graham (right), chairman and publisher of *The Washington Post*, Republic of China's President Chiang Ching-kuo (left) made a preliminary remark that martial law would be lifted. Chiang's English secretary Ma Ying-jeou (center) later described this historic moment as "electric." On the evening of July 14, 1987, the Nationalist Chinese government officially announced the lifting of martial law. Ma Ying-jeou is the current President of the Republic of China; Ma Ying-jeou was elected President of the Republic of China in 2008. Katharine Graham was a member of the Council on Foreign Relations and a Bilderberg Meetings participant. (Courtesy of Academia Historica) <http://www.taiwaninsights.com/2010/12/30/test/>



Douglas H. Paal (left), the Director of the American Institute in Taiwan from 2002 to 2006 and the “unofficial” American envoy to the Republic of China on Taiwan, appears with Chen Shui-bian, the President of the Republic of China and member of the separatist Democratic Progressive Party, in Taipei, Taiwan, Republic of China in 2005. Douglas H. Paal is a member of the Council on Foreign Relations, a private organization in New York City. (Wally Santana/Associated Press)



Members of Carnegie Endowment for International Peace meet with Ma Ying-jeou, the President of the Republic of China, in Taipei, Taiwan, Republic of China on November 14, 2008. From left to right: Ambassador J. Stapleton Roy (Trustee), Robert Carswell, Jessica Tuchman Mathews (President), Douglas Paal, Kathleen Gerard, and Robert Legvold. Roy, Carswell, Mathews, Paal, and Legvold are members of the Council on Foreign Relations. (Photo: Office of the President of the Republic of China (Taiwan))

<http://english.president.gov.tw/Default.aspx?tabid=491&itemid=19306>

Operation Paper: The United States and Drugs in Thailand and Burma

By Peter Dale Scott

This Chapter 3 from my newly published *American War Machine* describes America's Operation Paper, a November 1950 program to arm and supply the Kuomintang remnant troops of General Li Mi in Burma. Operation Paper itself was relatively short-lived, but it had two long-term consequences that have not been adequately discussed.

The first is that the CIA was launched into its fifty-year history of indirectly facilitating and overseeing forces engaged in vastly expanding the production of opiates, in successive areas not previously major in the international traffic. This is a history that stretches, almost continuously, from Thailand and Burma through Laos until the 1970s, and then to present-day Afghanistan.

The second is that the resulting drug proceeds helped supplement the CIA's efforts to develop its own Asian proxy armies, initially defensive but increasingly offensive. This led in 1959 to the initiation of armed conflict in the previously neutral and Buddhist nation of Laos, an unwinnable hot war that soon spread to Vietnam.

The decision to launch Operation Paper was made by a small cabal inside the Office of Policy Coordination (OPC), notably Desmond Fitzgerald and Richard Stilwell in conjunction with former OSS Chief William Donovan, who favored the rollback of communism over the official State Department policy of containment. My book sees the expanding offensive efforts in Southeast Asia, after switching from Li Mi's forces to the CIA's Thai proxy army PARU, as a watershed in the conversion of America's post-war defense establishment, which was concerned above all with preserving the status quo in western Europe, into today's offensive American War Machine, with actions centered on Southeast and Central Asia.

The writing of **American War Machine** has given me a clearer picture of America's overall responsibility for the huge increases in global drug trafficking since World War II. This is exemplified by the more than doubling of Afghan opium drug production since the U.S. invaded that country in 2001. But the U.S. responsibility for the present dominant role of Afghanistan in the global heroin traffic has merely replicated what had happened earlier in Burma, Thailand, and Laos between the late 1940s and the 1970s. These countries also only became factors in the international drug traffic as a result of CIA assistance (after the French, in the case of Laos) to what would otherwise have been only local traffickers. •

It is not too much to conclude that, for such larger reasons of policy, U.S. authorities actually suborned at times an increase of illicit heroin traffic.

An understanding of this phenomenon must inform future scholarly work on drug trafficking in Asia.¹

If opium could be useful in achieving victory, the pattern was clear. We would use opium.²

Thailand and Drugs: A Personal Preface

It is now clearly established that in November 1950, President Truman, faced with large numbers of Chinese communist troops pouring into Korea, approved an operation, code-named Operation Paper, to prepare remnant Kuomintang (KMT) forces in Burma for a countervailing invasion of Yunnan. It is clear also that these troops, the so-called 93rd Division under KMT General Li Mi, were already involved in drug trafficking. It is clear finally that, as we shall see, Truman belatedly approved a supply operation to drug traffickers that had already been in existence for some time.



The purpose of this chapter is to explore the process that led up to Truman's validation of a program to use drug proxies in Burma. It will be an exercise in deep history, raising questions that the archival records presently available cannot definitively answer. Some of most relevant records, chiefly those of the Office of Policy Coordination (OPC) that initiated Operation Paper, are still closed to public view. Others, such as those of the World Commerce Corporation (WCC) or of the Willis Bird import-export firm in Bangkok, would probably tell us little even if we had them. And some of the most important events, such as the path by which Thai Opium Monopoly opium soon reached the streets of Boston, were probably never documented at all.

The topic of this chapter is a major one in the postwar history of China, Southeast Asia, and the global drug traffic. With needed U.S. support, above all in the form of airlift and arms, Li Mi's irregulars were soon marketing, in the words of their U.S. overseer Richard Stilwell (chief of OPC Far East), "almost a third of the world's opium supply."³ Burton Hersh, who transmits Stilwell's comment, adds his own remark that Li Mi's troops "developed over time into an important commercial asset for the CIA." Based on what is currently known, I would express the relationship differently: Li Mi's drug-trafficking troops continued to be of major importance to the CIA—but as self-supporting, off-the-books allies in the struggle to secure Southeast Asia against communist advances, not as a source of income for the CIA itself.

Overview

In the 1950s, after World War II, the chances seemed greater than ever before for a more peaceful, orderly, legal, and open world. Even the world's two great superpowers, the United States and the Soviet Union, had agreed on rules and procedures for mediating their serious differences through a neutral body, the United Nations. The United States was then wealthy enough to finance postwar reconstruction in devastated Europe and later fund international programs in fields such as health and agriculture in the newly liberated former colonies of the Third World.

But the United Nations was not destined to remain the theater for the resolution of international conflict. One major reason for this was that the Soviet Union, the United States, and then, after 1949, China all pursued covert policies, low key at first, that brought them increasingly into conflict and proxy war. The Marxist-Leninist nations of the Soviet Union and China lent support to other Marxist-Leninist parties and movements, some of them insurrectionary, in other parts of the world. Washington's often inaccurate perception saw these parties and movements as proxies for Soviet and/or Chinese power. Thus, much of the Cold War came to be fought covertly in areas, like Southeast Asia, about which both the United States and the Soviet Union were stunningly ignorant.

From the very beginning of the postwar era, Washington looked for proxies of its own to combat the threat it perceived of world revolution. Some of these proxies are now virtually forgotten, such as the Ukrainian guerrillas, originally organized by Hitler's SS, who fought an OPC-backed losing battle against Russia into the early 1950s. Some, like the mafias in Italy and Marseille, soon outgrew their U.S. support to become de facto regional players in their own right.

But one of America's early proxy armies, the remnants of Nationalist Chinese KMT forces in Burma and later Thailand, would continue to receive U.S. support into the 1960s. Like the mafias in Europe and the yakuza in Japan, these drug proxies had the advantage for secrecy of being off-the-books assets, largely self-supporting through their drug dealing, and firmly anticommunist.

The OPC and CIA's initial support of this program, by reestablishing a major drug traffic out of Southeast Asia, helped institutionalize what became a CIA habit of turning to drug-supported off-the-books assets for

fighting wars wherever there appeared to be a threat to America's access to oil and other resources—in



**Harvesting opium in
Karenni state, Burma**

Indochina from the 1950s through the 1970s, in Afghanistan and Central America in the 1980s, in Colombia in the 1990s, and again in Afghanistan in 2001.⁷

The use of drug proxies, at odds with Washington's official antidrug policies, had to remain secret. This meant that in practice major programs with long-term consequences were initiated and administered by small cliques with U.S. intelligence ties that were almost invisible in Washington and still less visible to the American people. These cliques of like-minded individuals, at ease in working with traffickers and other criminals, were in turn part of a cabal supported by elite groups at high levels.

The U.S. use of the drug traffic from the KMT troops in Burma had momentous consequences for the whole of Southeast Asia. For the OPC infrastructure for the KMT troops (Sea Supply Inc., see below) was expanded and modified, with support from William Donovan and Allen Dulles, to develop and support an indigenous guerrilla force in Thailand, PARU. PARU, far less publicized than the KMT troops, did as much or more to influence U.S. history. For PARU's success in helping to guarantee the independence of Thailand encouraged the United States in the 1960s to use PARU in Laos and Vietnam as well. Thus, PARU's early successes led the United States, incrementally, into first covert and eventually overt warfare in Laos and Vietnam. We shall see that, according to its American organizer James William ["Bill"] Lair, PARU, like the KMT forces, was in its early stage at least partly financed by drugs.

In short, some Americans had a predictable and almost continuous habit of turning to the drug traffic for off-the-books assets. This recourse began as a curious exception to the larger U.S. policy of seeking political resolution of international conflicts through the United Nations. It also pitted the regular U.S. diplomats of the State Department against the Cold Warriors of the secret agency, OPC, that had these drug assets at its disposal. This was not the only time that a small U.S. bureaucratic cabal, facing internal opposition but enjoying high-level backing, could launch an operation that became far larger than originally authorized. The pattern was repeated, with remarkable similarities, in Afghanistan in 1979. Once again, as in Thailand, the original stated goal was the defense of the local nation and the containment of the communist troops threatening to subdue it. Once again this goal was achieved. But once again the success of the initial defensive campaign created a momentum for expansion into a campaign of offensive rollback that led to our present unpromising confrontation with more and more elements of Islam.⁸ The cumulative history of these U.S. interventions, both defensive (successful) and offensive (catastrophic), has built and still builds on itself. Successes are seen as opportunities to move forward: it is hard for mediocre minds not to draw bad lessons from them. Failures (as in Vietnam) are remembered even more vividly as reasons to prove that one is not a loser.

It is thus important to analyze this recurring pattern of success leading to costly failure, to free ourselves from it. For it is clear that the price of imperial overstretch has been increasing over time.

With this end in mind, I shall now explore key moments in the off-the-books story of Southeast Asian drug proxies and the cliques that have managed them, a trail that leads from Thailand after World War II to the U.S. occupations of Iraq and Afghanistan today.

The Origins of the CIA Drug Connection in Thailand

To understand the CIA's involvement in the Southeast Asian drug traffic after World War II, one must go back to nineteenth-century opium policies of the British Empire. Siamese government efforts to prohibit the smoking of opium ended in 1852, when King Mongkut (Rama IV), bowing to British

pressures, established a Royal Opium Franchise, which was then farmed out to Siamese Chinese.⁹ Three years later, under the terms of the unequal Bowring Treaty, Siam accepted British opium free of duty, with the proviso that it was to be sold only to the Royal Franchise. (A year later, in 1856, a similar agreement was negotiated with the United States.) The opium farm became a source of wealth and power to the royal government and also to the Chinese secret societies or triads that operated it. Opium dependency also had the effect of easing Siam into the ways of Western capitalism by bringing "peasants into the cash economy as modern consumers."¹⁰

Until it was finally abolished in 1959, proceeds from the Opium Franchise (as in other parts of Southeast Asia) provided up to 20 percent of Siamese government revenue.¹¹ This is one reason why the opium franchise ceased to be farmed out to Chinese businessmen in 1907 and became (as again in other parts of Southeast Asia) a government monopoly. Another was the desire to reduce the influence of Chinese secret societies and encourage Chinese assimilation into Siam. As a result, the power of the secret societies did generally decline in the twentieth century, except for a revival under the Japanese occupation during World War II. By this time the KMT, operating under cover, was the most powerful force in the Bangkok Chinese community, with overlapping links to Tai Li's KMT intelligence network and also the drug traffic.¹² Although the official source of opium for the Siamese franchise was India, the relatively high cost of Indian opium encouraged more and more smuggling of opium from the Shan states of eastern Burma. With the gradual outlawing of the opium traffic in the early twentieth century, the British banned the use of Shan opium inside Burma but continued to tax the Shan states as before. In this way the British tacitly encouraged the export of Shan opium to the Thai market.¹³

When Thailand declared war against Britain in January 1942, Shan opium became the only source for the lucrative monopoly. This helps explain the 1942 invasion of the opium-producing Shan states by the Thai Northern (Phayap) army, in parallel to the Japanese expulsion of the British from Burma.¹⁴ In January 1943, as it became clearer that Japan would not win the war, the Thai premier Phibun Songkhram used the Northern Army in Kengtung, with its control of Shan opium, to open relations with the Chinese armies they had been fighting, which had by now retreated across the Yunnan-Burma frontier.¹⁵ One of these was the 93rd Division, at Meng Hai in the Thai Lü district of Sipsongphanna (Xishuangbanna) in Yunnan.¹⁶ The two sides, both engaged in the same lucrative opium traffic, quickly agreed to cease hostilities. (According to an Office of Strategic Services [OSS] observer, the warlord generals of Yunnan, Lung Yun, and his cousin Lu Han, commander of the 93rd Division, were busy smuggling opium from Yunnan across the border into Burma and Thailand.¹⁷)

An OSS team of Seri Thai (Free Thais), led by Lieutenant Colonel Khap Kunchon (Kharb Kunjara) and ostensibly under the direction of OSS Kunming, made contact with both sides in March-April 1944.¹⁸ When Khap arrived at the 93rd Division Headquarters, "he discovered that an informal ceasefire had been observed along the border between southern Yunnan and the Shan States [in Burma] since early 1943 with the arrangement being cemented from time to time by gifts of Thai whisky, cigarettes and guns presented to officers of the 93rd Division by their Thai counterparts."¹⁹

Khap, with the permission of his OSS superior Nicol Smith, sent a message from Menghai to a former student of his now with the Thai Northern Army in Kengtung.²⁰ "The letter stressed the need for Thai forces to switch sides at the appropriate moment and asked for the names of Thai officers in the area who would be willing to cooperate with the Allies."²¹ Khap's letter, with its apparent OSS endorsement, reached Phibun in Bangkok and led to an uninterrupted postwar collaboration between the Northern Army and the 93rd Division.²²

Khap, however, was a controversial figure inside OSS, mistrusted above all for his dealings with Tai Li. We learn from Reynolds's well-documented history that Tai Li and Khap, in conjunction with the original OSS China chief Milton Miles, had been concertedly pushing a plan to turn the Thai Northern Army against the Japanese.²³ But John Coughlin, Miles's successor as OSS chief in China, consulted some months later with Donovan in Washington and expressed doubts about the scheme. A follow-up memo to Donovan questioned Khap's motives:

I . . . doubt that he can be trusted. . . . I feel that he will make deals with Tai Li of which I will not be informed. . . . I am at a loss to figure out Tai Li's extreme interest in him, unless there is some agreement between them that I know nothing about.²⁴

Like his sources, Reynolds's archival history is tactfully silent on the topic of opium. But Tai Li's opium connection to the KMT in Thailand and Burma was well known to OSS and may well have been on Coughlin's mind.²⁵

The Northern Army–93rd Division–KMT connection had enormous consequences. For the next three decades, Shan opium would be the source of revenue and power for the KMT in Burma and both the KMT and the Northern Army in Bangkok. All of Thailand’s military leaders between 1947 and 1975—Phin Chunhawan, his son-in-law Phao Sriyanon, Sarit Thanarat, Thanom Kittikachorn, Prapat Charusathien, and Kriangsak Chomanand—were officers from the Northern Army. Successively their regimes dominated and profited from the opium supplied by the KMT 93rd Division that after the war reestablished itself in Burma.²⁶ This was true from the military coup in Bangkok of November 1947 until Kriangsak’s resignation in 1980.²⁷ A series of coups d’état—in 1947, 1951, 1957, and 1975—can be analyzed in part as conflicts over control of the drug trade.²⁸



KMT forces in Burma, 1953

As in Indonesia and other Asian countries, the generals’ business affairs were handled by local Chinese. The Chinese banking partner of Phin Chunhawan and Phao Sriyanon was Chin Sophonpanich, a member of the Free Thai movement who in the postwar years enabled Phao to die as “one of the richest men in the world.”²⁹ When in 1957 Sarit displaced Phao and took over both the government and the drug trade, both Phao and Chin had to flee the country.³⁰

The United States Helps Rebuild the Postwar Drug Connection

To appreciate the significance of the connection we are discussing, we must keep in mind that, by 1956, the KMT had been driven from the Chinese mainland and that Chinese production of opium, even in remote mountainous Yunnan, had been virtually eliminated. The disruptions of a world war and revolution had created an opportunity to terminate the opium problem in the Far East. Instead, U.S. covert support for the Thai and KMT drug traffickers converted Southeast Asia, for more than two decades, into the world’s major source of opium and heroin.

The origins of the U.S. interface with these drug traffickers in Thailand and Burma are obscure. They appear, however, to have involved principally four men: William Donovan; his British ally Sir William Stephenson, the organizer with Donovan of the World Commerce Corporation (WCC); Paul Helliwell; and Willis Bird (both veterans of OSS China). After World War II, Sir William Stephenson’s WCC “became very active in Bangkok,” and Stephenson himself established a strong personal relationship with King Rama IX.³¹

Stephenson recruited James Thompson, the last OSS commander in Bangkok, to stay on in Bangkok as the local WCC representative. This led to the WCC’s financing of Thompson’s Thai Silk Company, a successful commercial enterprise that also covered Thompson’s repeated trips to the northeastern Thai border with Laos, the so-called Isan, where communist insurrection was most feared and where future CIA operations would be concentrated.³² One would like to know whether WCC similarly launched the import-export business of Willis Bird, of whom much more shortly.

In the same postwar period, Paul Helliwell, who earlier had been OSS chief of Special Intelligence in Kunming, Yunnan, served as Far East Division chief of the Strategic Service Unit, the successor organization to OSS.³³ In this capacity he allegedly “became the man who controlled the pipe-line of covert funds for secret operations throughout East Asia after the war.”³⁴ Eventually, Helliwell would be responsible for the incorporation in America of the CIA proprietaries, Sea Supply Inc. and Civil Air Transport (CAT) Inc. (later Air America), which would provide support to both Phao Sriyanon of the Northern Army in Thailand and the KMT drug camps in Burma. It is unclear what he did before the creation of OPC in 1948. Speculation abounds as to the original source of funds available to Helliwell in this earlier period, ranging from the following:

1. The deep pockets of the overworld figures in the WCC. Citing Daniel Harkins, a former USG investigator, John Loftus and Mark Aarons claimed that Nazi money, laundered and manipulated by Allen Dulles and Sir William Stephenson through the WCC, reached Thailand after the war. When Harkins informed Congress, he “was suddenly fired and sent back [from Thailand] to the United States on the next ship.”³⁵

2. The looted gold and other resources collected by Admiral Yamashita and others in Japan³⁶ or of the SS in Germany.

3. The drug trade itself. Further research is needed to establish when the financial world of Paul Helliwell began to overlap with that of Meyer Lansky and the underworld. The banks discussed in the chapter 7, which are outward signs of this connection (Miami National Bank and Bank of Perrine), were not established until a decade or more later. Still to be established is whether the Eastern Development Company represented by Helliwell was the firm of this name that in the 1940s cooperated with Lansky and others in the supply of arms to the nascent state of Israel.³⁷

Of these the best available evidence points tentatively to Nazi gold. We shall see that Helliwell acquired a banking partner in Florida, E. P. Barry, who had been the postwar head of OSS Counterintelligence (X-2) in Vienna, which oversaw the recovery of SS gold in Operation Safehaven.³⁸ And it is not questioned that in December 1947 the National Security Council (NSC) created a Special Procedures Group "that, among other things, laundered over \$10 million in captured Axis funds to influence the [Italian] election [of 1948]."³⁹ Note that this authorization was before NSC 10/2 of June 18, 1948, first funded covert operations under what soon became OPC.

What matters is that, for some time before the first known official U.S. authorizations in 1949–1950, funds were reaching Helliwell's former OSS China ally Willis Bird in Bangkok. There Bird ran a trading company supplying arms and materiel to Phin Chunhawan and Phin's son-in-law, Phao Sriyanon, who in 1950 became director-general of the Thai Police Department. By 1951 OPC funds for Bird were being handled by a CIA proprietary firm, Sea Supply Inc., which had been incorporated by Paul Helliwell in his civilian capacity as a lawyer in Miami. As noted earlier, Helliwell also became general counsel for the Miami bank that Meyer Lansky allegedly used to launder proceeds from the Asian drug traffic.

Some sources claim that in the 1940s, Donovan, whose link to the WCC was by 1946 his only known intelligence connection, also visited Bangkok.⁴⁰ Stephenson's biographer, William Stevenson, writes that because MacArthur had cut Donovan out of the Pacific during World War II, Donovan "therefore turned Siam [i.e., Thailand] into a base from which to run [postwar] secret operations against the new Soviet threat in Asia."⁴¹

William Walker agrees that by 1947–1948, the United States increasingly defined for Thailand a place in Western strategic policy in the early cold war. Among those who kept close watch over events were William J. Donovan, wartime head of the OSS, and Willis H. Bird, who worked with the OSS in China. . . . After the war, Bird, . . . still a reserve colonel in military intelligence, ran an import-export house in Bangkok. Following the November [1947 Thailand coup] Bird . . . implored Donovan: "Should there be any agency that is trying to take the place of O.S.S., . . . please have them get in touch with us as soon as possible. By the time Phibun returned as Prime Minister, Donovan was telling the Pentagon and the State Department that Bird was a reliable source whose information about growing Soviet activities in Thailand were credible."⁴²

Bird's wishes were soon answered by NSC 10/2 of June 18, 1948, which created the OPC. Washington swiftly agreed that Thailand would play an important role as a frontline ally in the Cold War. In 1948, U.S. intelligence units began arming and training a separate army under General Phao, which became known as the Thai Border Police (BPP). The relationship was cemented in 1949 as the communists captured power in China. The generals demonstrated their anticommunist credentials by echoing U.S. propaganda and killing alleged leftists. At midyear a CIA [OPC] team arrived in Bangkok to train the BPP for covert support of the Kuomintang in its continuing war against the Chinese communists on the Burma-China border. Later in the year the United States began to arm and train the Thai army and to provide the kingdom general economic aid.⁴³

Walker notes how the collapse of the KMT forces in China led Washington to subordinate its antinarcotics policies to the containment of communism: By the fall of 1949 . . . reports reached the State Department about the inroads communism was making within the Chinese community in Thailand as well as the involvement of the Thai army with opium. Since the army virtually controlled the nature of Thailand's security relationship with the West, foreign promotion of opium control had to take a back seat to other policy priorities.⁴⁴

On March 9, 1950, when Truman was asked to approve \$10 million in military aid for Thailand, Acheson's supporting memo noted that \$5 million had already been approved by Truman for the Thai "constabulary."⁴⁵ This presumably came from the OPC's secret budget: I can find no other reference to the \$5 million in State Department published records, and two years later a U.S. aid official in Washington, Edwin Martin, wrote in a secret memo that the Thai Police force under General Phao "is receiving no American **military** aid."⁴⁶

Cliques, the Mob, the KMT, and Operation Paper

The U.S. decision to back the KMT troops—the so-called Li Mi project or Operation Paper—was made at a time of intense interbureaucratic conflict and even conspiratorial disagreement over official U.S. policy toward the new Chinese People's Republic. As the historian Bruce Cumings has shown, both the KMT-financed China Lobby and many Republicans, like Donovan, as well as General MacArthur in Japan, were furious at the failure of Secretary of State Dean Acheson to continue support for Chiang Kai-shek after the founding of the People's Republic in October 1949.⁴⁷ Up until the June 1950 outbreak of war in Korea, Acheson refused to guarantee even the security of Taiwan.⁴⁸



Chennault with Madam & General Chiang Kai-Shek

The key public lobbyist for backing the KMT in Burma and Yunnan was General Claire Chennault, original owner of the airline the OPC took over. Chennault deserves to be remembered as an early postwar proponent of using off-the-books assets: his "Chennault Plan" envisaged essentially self-financing KMT armies, backed by a covert U.S. logistical airline, in support of U.S. foreign policy.⁴⁹ Because by this time Chennault was serving in Washington as Chiang Kai-shek's military representative, he was viewed by U.S. officials with increasing suspicion if not distaste.⁵⁰ Yet his longtime associate, friend, and business ally Thomas ("Tommy the Cork") Corcoran, who after 1950 was a registered foreign agent for Taiwan, managed to put Chennault in contact with senior OPC officers, including Richard Stilwell, chief of the Far East Division of the OPC.⁵¹

Claire Chennault with Chiang Kai-shek and Mme Chiang

There were other private interests with a stake in Operation Paper. In 1972 I noted that the two principal figures inside the United States who backed Chennault, Paul Helliwell and Thomas Corcoran, were both attorneys for the OSS-related insurance companies of C. V. Starr in the Far East.⁵² (Starr, who had operated out of Shanghai before the war, helped OSS China establish a network both there and globally.⁵³) The C. V. Starr companies (later the massive AIG group) allegedly had "close financial ties" with Chinese Nationalists in Taiwan,⁵⁴ and in any case they would of course have had a financial interest both in restoring the KMT to power in China and in consolidating a Western presence in Southeast Asia.⁵⁵ At the time of Corcoran's lobbying, Starr's American International Assurance Company was expanding from its Hong Kong base to Malaysia, Singapore, and Thailand. In 2006, that company was "the No. 1 life insurer in Southeast Asia."⁵⁶ And its parent AIG, before AIG's spectacular collapse in 2008, was listed by Forbes as the eighteenth-largest public company in the world.

Corcoran was also the attorney in Washington for Chiang Kai-shek's brother-in-law T. V. Soong, the backer of the China Lobby who some believed to be the "wealthiest man in the world."⁵⁷ It is likely that Soong and the KMT helped develop the Chennault Plan. A complementary plan for supporting the remnants of General Li Mi's KMT armies in Burma was developed in 1949 by the army's civilian adviser, Ting Tsuo-shou, after discussions on Taiwan with Chiang Kai-shek.⁵⁸

Like Chiang Kai-shek, Chennault also had support from Henry Luce of Time-Life in America and both General MacArthur and his intelligence chief, Major General Charles Willoughby, in Japan. Their plans for maintaining and reestablishing the KMT in China were in 1949 already beginning to diverge significantly from those of Truman and his State Department.⁵⁹ Former OSS Chief William Donovan, now outside the government and promoting the KMT, also promoted both Chiang Kai-shek and Chennault,⁶⁰ as did Chennault's wartime associate William Pawley, a freewheeling overseas investor who, like Helliwell, reputedly had links to mob drug traffickers.⁶¹

Donovan's support for Chennault was part of his general advocacy of rollback against communism and his interest in guerrilla armies—a strongly held ideology that, as we shall see, led to his appointment as ambassador to Thailand in 1953. His intellectual ally in this was the former Trotskyite James Burnham, another protégé of Henry Luce by then in the OPC (and a prototype of the neoconservatives half a century later). Burnham wrote in his book ("published with great Luce fanfare in early 1950") of "rolling back" communism and of supporting Chiang Kai-shek to, at some future point, "throw the Communists back out of China."⁶²

The Belated Authorization of Operation Paper

In the midst of this turmoil, OPC Chief Frank Wisner began in the summer of 1948 to refinance and eventually take over Chennault's airline, CAT, which Chiang Kai-shek's friend Claire Chennault had organized with postwar UN relief funds to airlift supplies to the KMT armies in China. Wisner "negotiated with Corcoran for the purchase of CAT [in which Corcoran as well as Chennault had a financial interest]. In March [1950], using a 'cutout' banker or middleman, the CIA paid CAT \$350,000 to clear up arrearages, \$400,000 for future operations, and a \$1 million option on the business."⁶³

Richard Stilwell, Far Eastern chief of the OPC and the future overseer of Operation Paper, dickered with Corcoran over the purchase price.⁶⁴ The details were finalized in March 1950, shortly before the outbreak of the Korean War in June generated for CAT Inc. a huge volume of new business.⁶⁵ Alfred Cox, OPC station chief in Hong Kong and the chief executive officer (CEO) of CAT Inc., directed the supply operation to Li Mi.⁶⁶

According to an unfavorable assessment by Lieutenant Colonel William Corson, a former marine intelligence officer on special assignment with the CIA, the OPC, in late summer 1950, recruited (or rather hired) a batch of Chinese Nationalist soldiers [who] were transported by the OPC to northern Burma, where they were expected to launch guerrilla raids into China. At the time this dubious project was initiated no consideration was given to the facts that (a) Truman had declined Chiang's offer to participate in the Korean War . . . (b) Burmese neutrality was violated by this action; and (c) the troops provided by Chiang were utterly lacking in qualifications for such a purpose.⁶⁷ Shortly afterward, in October 1950, Truman appointed a new and more assertive CIA director, Walter Bedell Smith. Within a week Smith took the first steps to make the OPC and Wisner answerable for the first time, at least on paper, to the CIA.⁶⁸ Smith ultimately succeeded in his vigorous campaign to bring Wisner and the OPC under his control, partly by bringing in Allen Dulles to oversee both the OPC and the CIA's rival Office of Special Operations (OSO, the successor to the Strategic Service Unit).⁶⁹ Yet in November 1950, only one month after his appointment as director, Smith tried and failed to kill Operation Paper when the proposal was belatedly submitted by the OPC (backed by the Joint Chiefs) for Truman's approval:

The JCS [Joint Chiefs of Staff] in April 1950 issued a series of recommendations, including a programme of covert assistance to local anti-communist forces. This proposal received additional stimulus following the Korean War and especially after Communist China entered that conflict. Shortly after the People's Republic's (PRC's) intervention, the Central Intelligence Agency's (CIA's) Office of Policy Co-ordination (OPC) proposed a programme to divert the PRC's military from the Korean peninsula. The plan called for U.S. aid to the 93rd, followed by an invasion of Yunnan by Li's men. Interestingly, the CIA's director, Walter Bedell Smith, opposed the plan, considering it too risky. But President Harry S. Truman saw merit in the OPC proposal and approved it. The programme became known as Operation Paper.⁷⁰

It is not clear whether, when Truman approved Operation Paper in November 1950, his secretary of state, Dean Acheson, was even aware of it. It is a matter of record that the U.S. embassies in Burma and Thailand knew nothing of the authorization until well into 1951, when they learned of it from the British and eventually from Phibun himself.⁷¹ The scholar Victor Kaufman reports that he "was unable to turn up any evidence at the Truman Library, the National Archives or in the volumes of FRUS [**Foreign Relations of the United States**] to determine whether in fact Acheson knew of the operation and, if so, at what point."⁷²

Both MacArthur and Chennault had ambitious designs for the CAT-supported KMT troops in Burma. With the outbreak of the Korean War in 1950, CAT played an important role in airlifting supplies to the U.S. troops.⁷³ But both MacArthur and Chennault spoke publicly of trapping communist China in what Chennault called a "giant pincers"—simultaneous attacks from Korea and from Burma.⁷⁴

The OPC kicked in by helping to build up a major airstrip at the chief KMT base at Mong Hsat, Burma, followed by a regular shuttle transport of American arms.⁷⁵ However, Li Mi's attempts to invade Yunnan in 1951 and 1952 (three according to McCoy, seven according to Lintner) were swiftly repelled by local militiamen with heavy casualties after advances of no more than sixty miles.⁷⁶ CIA advisers accompanied the incursions, and some of them were killed.⁷⁷

American journalists and historians like to attribute the CIA's Operation Paper, in support of Li Mi and the opium-growing 93rd Division in Burma, to President Truman's authorization in November 1950, following the outbreak of the Korean War in June 1950 and above all the Chinese crossing of the Yalu River.⁷⁸ But as historian Daniel Fineman points out, Truman was merely authorizing an arms shipments program that had already begun months earlier:

Shortly after the writing of the [April 1950] JCS memorandum, the United States began supplying arms and matériel to the [KMT] troops. [The Burmese protested in August 1950 that they had discovered in northern Burma an American military officer from the Bangkok embassy in Burma without authorization.⁷⁹]

In the fall, the . . . Office of Policy Coordination (OPC) drafted a daring plan for them to invade Yunnan. The CIA's director, Walter Bedell Smith, opposed the risky scheme, but Truman [in November 1950] rejected his warning. . . . In January 1951, the CIA initiated its project, code-named Operation Paper. It aimed to prepare the Kuomintang (KMT) forces in Burma for an invasion of Yunnan.⁸⁰ The futility of Li Mi's military jabs against China was obvious to Washington by 1952. Yet Federal Bureau of Narcotics (FBN) Chief Harry Anslinger continued to cover up the Li Mi-Thai drug connection for the next decade. The annual trafficking reports of the FBN recorded one seizure of distinctive Thai Government Monopoly opium in 1949 and on "several occasions" more in 1950. But after the initiation of Operation Paper in 1951, the FBN over a decade listed only one seizure of Thai drugs (from two seamen), until it began reporting Thai drug seizures again in 1962.⁸¹ Meanwhile, Anslinger, who "had established a working relationship with the CIA by the early 1950s . . . blamed the PRC [People's Republic of China, as opposed to their enemy the KMT] for orchestrating the



Harry Anslinger

annual movement of some two hundred to four hundred tons of opium from Yunnan to Bangkok."⁸² This protection of the world's leading drug traffickers (who were also CIA proxies) did not cease with Anslinger, nor even when the FBN, by then thoroughly corrupted from such cover-ups, was replaced in 1968 by the Bureau of Narcotics and Dangerous Drugs and finally in 1973 by the Drug Enforcement Administration. As I write in 2010, the U.S. media are blaming the drug traffic in Afghanistan on the Taliban-led insurgency, but UN statistics (examined later in this book) suggest that insurgents receive less than 12 percent of the total drug revenues in Afghanistan's totally drug-corrupted economy. As we saw in the previous chapter, Anslinger's tenure at the FBN was when the CIA also forged anticommunist drug alliances in Europe in the 1940s with the Italian Mafia in Sicily and the Corsican Mafia in Marseilles. The KMT drug support operation was longer lived and had more lasting consequences in America as well as in Southeast Asia. It converted the Golden Triangle of Burma-Thailand-Laos, which before the war had been marginal to the global drug economy, into what was for two decades the dominant opium-growing area of the world.

Did Some People Intend to Develop the Drug Traffic with Operation Paper?

The decision to arm Li Mi was obviously controversial and known to only a few. Some of those backing the OPC's support of a pro-KMT airline and troops may have envisaged from the outset that the 93rd Division would continue, as during the war, to act as drug traffickers. The key figure, Paul Helliwell, may have had a dual interest, inasmuch as he not only was a former OSS officer but also at some point became the legal counsel in Florida for the small Miami National Bank used after 1956 by Meyer Lansky to launder illegal funds.⁸³ We shall see in the next chapter that Helliwell also went on to represent Phao's drug-financed government in the United States and to receive funds from that source.⁸⁴ It is possible that in the mind of Helliwell, with his still ill-understood links to the underworld and Meyer Lansky, Li Mi's troops were not being used to invade China so much as to restore the war-dislocated international drug traffic that supported the anticommunist KMT and the comprador capitalist activities of

its supporters throughout Southeast Asia.⁸⁵ (As a military historian has commented, "Li Mi was more Mafia or war lord than Chinese Nationalist. Relying on his troops to bring down Mao was an OPC pipe dream."⁸⁶) It is possible also that other networks associated with the drug traffic became part of the infrastructure of the Li Mi operation. This question can be asked of some of the ragtag group of pilots associated with Chennault's airlines in Asia, some of whom were rumored to have seized this opportunity for drug trafficking.⁸⁷ According to William R. Corson (a marine colonel assigned at one point to the CIA), The opium grown by the ChiNat guerrillas . . . was transported by OPC contract aircraft from the forward base to Bangkok for sale to buyers from the various "connections." The pilots who flew these bushtype aircraft and often served as agents or go-betweens with the guerrilla leaders and the opium buyers were a motley band of men. Some were ex-Nazis, others part of the band of expatriates who emerge in foreign countries following any war.⁸⁸

The FBN by this time was aware that Margaret Chung, the attending physician to the pilots of Chennault's wartime airline, was involved with Bugsy Siegel's friend Virginia Hill "in the narcotic traffic in San Francisco."⁸⁹ During World War II, when the Office of Naval Intelligence through the OSS approached Dr. Chung for some specific intelligence on China, she "volunteered that she could supply detailed information . . . 'from some of the smugglers in San Francisco.'"⁹⁰

One has to ask what was in the mind of Chennault. Chennault himself was once investigated for smuggling activities, "but no official action was taken because he was politically untouchable."⁹¹ I have no reason to suspect that Chennault wished to profit personally from the drug traffic. But his objective in opposing Chinese communists was to split off ethically divergent provinces like Xinjiang, Tibet, and above all Yunnan.

Chennault's top priority was Yunnan, with its long-established Haw (or Hui) Muslim minority, many of whom (especially in southwestern Yunnan) traditionally dominated the opium trade into Thailand.⁹² The troops of the reconstituted 93rd Division were principally Haws from Yunnan.⁹³ To this day, one Thai name for the KMT Yunnanese minority in northern Thailand is **gaan beng gaosipsaam** ("93rd Division"), and visitors to the former base of the KMT general Duan Xiwen in Thailand (Mae Salong) are struck by the mosque one sees there.⁹⁴

I suspect that Chennault may have known that none of the elements in the reconstituted 93rd Division "had made great records of military accomplishment" during World War II,⁹⁵ that the 93rd had been engaged in drug trafficking when based at Jinghong during World War II,⁹⁶ and that when the 93rd Division moved into northern Burma and Laos in 1946, it was "in reality, to seize the opium harvest there."⁹⁷ That the 93rd Division settled into managing the postwar drug traffic out of Burma should have come as no surprise. Chennault was close to Madame Chiang Kai-shek, T. V. Soong, and the KMT, which had been supporting itself from opium revenues since the 1930s.⁹⁸ Linked to drug trafficking both in Thailand (through the Tai Li spy network) and in America, the KMT, after expulsion from Yunnan, desperately needed a new opium supply to maintain its contacts with the opiumtrafficking triads and other former assets of Tai Li in Southeast Asia.⁹⁹

From the time of the inception of the KMT government in the 1920s, KMT officials had been caught smuggling opium and heroin into the United States.¹⁰⁰ As noted earlier, an FBN supervisor reported in 1946 that "in a recent Kuomintang Convention in Mexico City a wide solicitation of funds for the future operation of the opium trade was noted." In July 1947 the State Department reported that the Chinese Nationalist government was "selling opium in a desperate attempt to pay troops still fighting the Communists."¹⁰¹ The **New York Times** reported on July 23, 1949, the seizure in Hong Kong of twenty-two pounds of heroin that had arrived from a CIA-supplied Kuomintang outpost in Kunming.¹⁰² But the loss of Yunnan in 1949-1950 meant that the KMT would have to develop a new source of supply.

The key to the survival of the KMT was of course its establishment and protection after 1949 on the island of Taiwan. Chennault and his airline CAT helped move the KMT leadership and its resources to its new base and to deny the new Chinese People's Republic the Chinese civil air fleet (which became embroiled in a protracted Hong Kong legal battle where CAT was represented by William Donovan).¹⁰³ By 1950 one of Chennault's wartime pilots, Satiris (or Soteris or Sortiris) Fassoulis ran a firm, Commerce International China, Inc., that privately supplied arms and military advisers to Chiang Kai-shek on Taiwan. Bruce Cumings speculates that he may have done so for the OPC at a time when Acheson was publicly refusing to commit the United States to the defense of Taiwan.¹⁰⁴

Finally, all those handling Operation Paper in and for the OPC (Fitzgerald, Helliwell, Joost, CAT Inc. CEO Alfred Cox, and Bird) had had experience in the area during World War II. If they had not wanted Li Mi and CAT to be- come involved in restoring the KMT drug traffic, it would have been imperative for them to ensure that the KMT on Taiwan had no control over CAT's operations. But Wisner and Helliwell did the exact opposite: when they took over the CAT airline, they gave majority control of the CAT planes to

the KMT-linked Kincheng Bank on Taiwan.¹⁰⁵ Thereafter for many years CAT planes would fly arms into Li Mi's camp for the CIA and then fly drugs out for the KMT.

The opium traffic may well have seemed attractive to OPC for strategic as well as financial reasons. As Alfred McCoy has observed, Phao's pro-KMT activities in Thailand "were a part of a larger CIA effort to combat the growing popularity of the People's Republic among the wealthy, influential overseas Chinese community throughout Southeast Asia."¹⁰⁶ I have noted elsewhere that the KMT reached these communities in part through triads and other secret societies (especially in Malaya) that had traditionally been involved in the opium traffic. Thus, the restoration of an opium supply in Burma to replace that being lost in Yunnan had the result of sustaining a social fabric and an economy that was capitalist and anticommunist.¹⁰⁷

I would add today that the opium traffic was an even more important element in an anticommunist strategy for Southeast Asia as a source of income. We have already seen that for a century, the Thai state had relied on its revenues from the state opium monopoly; in 1953 "the Thai representative at the April CND [Commission on Narcotic Drugs] session had admitted that his country could not afford to give up the revenue from the opium business."¹⁰⁸

Just as important was the role of opium profits in promoting capitalism among the Chinese businessmen of Southeast Asia (the agenda of Sir William Stephenson and the WCC). Whether the Chinese who dominated business in the region would turn their allegiance to Beijing depended on the availability of funds for alternative business opportunities. Here Phao's banker, Chin Sophonpanich, became a source of funds for top anticommunist businessmen not only in Thailand but also in Malaysia and Indonesia: Chin Sophonpanich created the largest bank in south-east Asia and one that was extremely profitable. A report by the International Monetary Fund in 1973 claimed that Bangkok Bank's privileged position allowed it to make returns on its capital in excess of 100 per cent a year (a claim denounced by Chin's lieutenants). What was not in dispute was that the bank's bulging deposit base could not be lent out at optimum rates in Thailand alone. This is where Chin revolutionised the south-east Asian banking scene. He personally travelled between Hong Kong, Singapore, Kuala Lumpur and Jakarta, identifying and courting the new generation of putative post colonial tycoons. . . . Chin banked the key godfathers outside Hong Kong—Robert Kuok in Malaysia, Liem Sioe Liong [Sudono Salim] in Indonesia, the Chearavanonts in Thailand—as well as other players in Singapore and Hong Kong. . . . Chin was closely linked to the Thai heroin trade through his role as personal financier to the narcotics kingpin Phao Sriyanon, and to other politicians involved in running the drug business.¹⁰⁹

Chin thus followed the example of the Khaw family opium farmers in nineteenth-century Siam, whose commercial influence also eventually "extended across Siam's southern borders into Malaya and the Netherlands East Indies" into legitimate industries, such as tin mines and a shipping company.¹¹⁰

America had another reason to accept Li Mi's smuggling activities: as a source of badly needed Burmese tungsten. According to Jonathan Marshall, there is fragmentary evidence that OPC/CIA support for his remnant army was "also to facilitate Western control of Burma's tungsten resources."¹¹¹

Creation of an Off-the-Books Force without Accountability

The OPC aid to Thai police greatly augmented the influence of both Phao Sriyanon, who received it, and Willis Bird, the OSS veteran through which it passed and who was already a supplier for the Thai military and police. Seeing the gap between the generals who had organized the military coup of 1947 and U.S. Ambassador Stanton, who still worked to support civilian politicians, Bird worked with Phao and the generals of the 1947 Coup Group to create in 1950 a secret "Naresuan Committee." Bypassing the U.S. embassy altogether, the Naresuan Committee created a parallel, parastatal channel for U.S.-Thai governmental relations between OPC and Phao's BPP:

Bird organized in 1950 a secret committee of leading military and political figures to develop an anticommunist strategy and, more importantly, lobby the United States for increased military assistance. The group, dubbed the Naresuan Committee, included police strongman Phao Sriyanon, Sarit Thanarat, Phin Choonhawan, Phao's father-in-law, air force chief Fuen Ronnaphakat, and Bird's [Anglo-Thai] brother-in-law, [air force colonel] Sitthi [Savetsila, later Thailand's foreign minister for a decade]. . . . Bird and the generals established their committee to bypass the ambassador and . . . work through [Bird's] old OSS buddies now employed by the CIA [sic, i.e., OPC].¹¹²

Thomas Lobe, ignoring Bird, writes that it was the "Thai military clique" who organized the committee. But from his own prose we learn that the initiative may have been neither theirs nor Bird's alone but in implementation of a new strategy of support to the KMT in Burma, designed by the OPC and JCS in Washington:

A high-ranking U.S. military officer and a CIA [OPC] official came to Bangkok [in 1950] to review the political situation.¹¹³ . . . Through the "[Naresuan] Anti-Communist Committee," secret negotiations ensued between Phao and the CIA [OPC]. The U.S. representative explained the need for a paramilitary force that could both defend Thai borders and cross over into Thailand's neighbors— Vietnam, Laos, Burma, Cambodia, and China—for secret missions. . . . The CIA's new police were to be special: an elite force outside the normal chain of command of both the Thai security bureaucracy and the TNPD [Thai National Police department]. Phao and Phibun agreed to this arrangement because of the increase in armed power that this new national police meant vis-à-vis the armed forces.¹¹⁴

This was in keeping with the JCS call in April 1950 for a new "program of special covert operations designed to interfere with Communist activities in Southeast Asia," noting "the evidences of renewed vitality and apparent increased effectiveness of the Chinese Nationalist forces."¹¹⁵

Action was taken immediately:

[Bird's] CIA [i.e., OPC] contacts sent an observer to meet the committee and, impressed with the resolve the Thais manifested, got Washington to agree to a large covert assistance program. Because they considered the matter urgent, **planners on both the Thai and American sides decided to forgo a formal agreement on the terms of the aid.** Instead, Paul Helliwell, an OSS friend of Bird [from China] now practicing law in Florida [as well as military reserve officer and OPC operative], incorporated a dummy firm in Miami named the Sea (i.e. South-East Asia) Supply Company as a cover for the operation. The CIA [OPC], the agency on the American end responsible for the assistance, opened a Sea Supply office in Bangkok. . . . By the beginning of 1951, Sea Supply was receiving arms shipments for distribution. . . . The CIA [OPC] appointed Bird's firm general agent for Sea Supply in Bangkok.¹¹⁶

Sea Supply's arms from Bird soon reached not only the Thai police and BPP but also, starting in early 1951, the KMT 93rd Division in Burma, which was still supporting itself, as during the war, from the opium traffic.¹¹⁷ General Li Mi, the postwar commander of the 93rd Division, would consult with Bird and Phao in Bangkok about the arms that he needed for the KMT base at Mong Hsat in Burma and that had already begun to reach him months before the creation of the Bangkok Sea Supply office in January 1951.¹¹⁸ The airline supplying the KMT base at Mong Hsat in Burma from Bangkok was Helliwell's other OPC proprietary,



Air America U-10D [Helio Courier](#) aircraft in Laos on a covert mountaintop landing strip (LS) "Lima site"

CAT Inc., which in 1959 changed its name to become the well-known Air America. The deliberately informal arrangement for Sea Supply served to mask the sensitive arms shipments to a KMT opium base.¹¹⁹

In the complex legal takeover of Chennault's airline, his assets developed into three separate components: planes (the Taiwanese civilian airline Civil Air Transport or CATCL), pilots (later Air America), and ground-support operations (Air Asia). Of these the planes only 40 percent were owned by the CIA; the remaining 60 percent continued to be owned by KMT financiers (with alleged links to T.V. Soong and Mme. Chiang Kai-shek), who had relocated to Taiwan and were associated with the Kincheng Bank.¹²⁰ The Kincheng Bank was under the control of the so-called Political Science Clique of the KMT, whose member Chen Yi was the first postwar KMT governor of Taiwan.¹²¹

The OPC's organizational arrangements for its proprietary CAT, which left 60 percent of the company owning the CAT planes in KMT hands, guaranteed that CAT's activities were immune to being reined in by Washington.¹²²

In fact Helliwell, Bird, and Bird's Thai brother-in-law Sitthi Savetsila all avoided the U.S. embassy and instead plotted strategy for the KMT armies at the Taiwanese embassy. There the real headquarters for

Operation Paper was the private office of Taiwanese Defense Attaché Chen Zengshi, a graduate of China's Whampoa Military Academy.¹²³ Bird's energetic promotion of Phao, precisely at a time when the U.S. embassy was trying to reduce Phao's corrupt influence, led to a 1951 embassy memorandum of protest to Washington about Bird's activities. "Why is this man Bird allowed to deal with the Police Chief [Phao]?" the memo asked.¹²⁴ The question, for which there is no publicly recorded reply, was an urgent one. Bird's backing of the so-called Coup Group (Phin Choonhavan, Phao Sriyanon, and Sarit Thanarat), reinforced by the obvious U.S. support for Bird through Operation Paper and Sea Supply, encouraged these military men, in their November 1951 "Silent Coup," to defy Stanton, dissolve the Thai parliament, and replace the postwar Thai constitution with one based on the much more reactionary constitution of 1932.¹²⁵

The KMT Drug Legacy for Southeast Asia

When the OPC airline CAT began its covert flights to Burma in the 1950s, the area produced about eighty tons of opium a year. In ten years' time, production had at least quadrupled, and at one point during the Vietnam War, the output from the Golden Triangle reached 1,200 tons a year. By 1971, there were also at least seven heroin labs in the region, one of which, close to the CIA base of Ban Houei Sai in Laos, produced an estimated 3.6 tons of heroin a year.¹²⁶

The end of the Vietnam War did not interrupt the flow of CIA-protected heroin to America from the KMT remnants of the former 93rd Division, now relocated in northern Thailand under Generals Li Wenhuan and Duan Xiwen (Tuan Hsi-wen). The two generals, by then officially integrated into the defense forces of Thailand, still enjoyed a special relationship to and protection from the CIA. With this protection, Li Wenhuan, from his base in Tam Ngob, became, according to James Mills, "one of the most powerful narcotics traffickers on earth . . . controlling the opium from which is refined a major percentage of heroin entering the United States."¹²⁷

From the very outset of Operation Paper, the consequences were felt in America itself. As I have shown elsewhere, most of the KMT-Thai opium and heroin was distributed in America by KMT-linked tongs with long-term ties to the American mafia.¹²⁸ Thus, Anslinger's rhetoric served to protect the primary organized crime networks distributing Asian narcotics in America. Far more than the CIA drug alliances in Europe, the CIA's drug project in Asia contributed to the drug crisis that afflicted America during the Vietnam War and from which America still suffers. Furthermore, U.S. protection of leading KMT drug traffickers led to the neutralization of domestic drug enforcement at a high level. It has also inflicted decades of militarized oppression on the tribes of eastern Myanmar (Burma), perhaps the principal victims of this story. By the end of 1951, Truman, convinced that the KMT forces in Burma were more of a threat to his containment policy than an asset, "had come to the conclusion that the irregulars had to be removed."¹²⁹ Direct U.S. support to Li Mi ended, forcing the KMT troops to focus even more actively on proceeds from opium, soon supplemented by profits from morphine labs as well. But nevertheless, in June 1952, as we shall see, 100 Thai graduates from the BPP training camp were in Burma training Li Mi's troops in jungle warfare.¹³⁰ After a skirmish in 1953, the Burma army recovered the corpses of three white men, with no identification except for some documents with addresses in Washington and New York.¹³¹ Operation Paper was by now leading a life of its own, independent not just of Ambassador Stanton but even of the president.

A much-publicized evacuation of troops to Taiwan in 1953–1954 was a charade, despite five months of strenuous negotiations by William Donovan, by then Eisenhower's ambassador in Thailand. Old men, boys, and hill tribesmen were airlifted by CAT from Thailand and replaced by fresh troops, new arms, and a new commander.¹³²

The fiasco of Operation Paper led in 1952 to the final absorption of the OPC into the CIA. According to R. Harris Smith, Bedell Smith . . . summoned the OPC's Far East director, Richard Stilwell, and, in the words of an agency eyewitness, gave him such a "violent tongue lashing" that "the colonel went down the hall in tears." . . . [T]he Burma debacle was the worst in a string of OPC affronts that confirmed his decision to abolish the office. In 1952 he merged the OPC with the CIA's Office of Special Operations [to create a new Directorate of Plans].¹³³

What precipitated this decision was an event remembered inside the agency as the "Thailand flap." Its precise nature remains unknown, but central to it was a drugs-related in-house murder. Allen Dulles's biographer recounts that in 1952 Walter Bedell Smith "had to send top officials of both clandestine branches [the CIA's OSO and OPC] out to untangle a mess of opium trading under the cover of efforts to topple the Chinese communists."¹³⁴ (I heard from a former CIA officer that an OSO officer investigating drug flows through Thailand was murdered by an OPC officer.¹³⁵) Years later, at a secret

Council on Foreign Affairs meeting in 1968 to review official intelligence operations, former CIA officer Richard Bissell referred back to the CIA–OPC flap as “a total disaster organizationally.”¹³⁶ But what was an organizational disaster may be seen as having benefited the political objectives of the wealthy New York Republicans in OPC (including Wisner, Fitzgerald, Burnham, and others) who constituted an overworld enclave committed to rollback inside the Truman establishment committed to containment. (Recall that Wisner had surrounded himself in the OPC with men who, in the words of Wisner’s ex-wife, “had money enough of their own to be able to come down” to Washington.¹³⁷) This enclave was already experimenting with attempts to launch the rollback policy that Eisenhower and John Foster Dulles would call for in the 1952 election campaign.¹³⁸

Truman, understandably and rightly, mistrusted this enclave of overworld Wall Street Republicans that the CIA and OPC had injected into his administration. The four directors Truman appointed to oversee central intelligence—Sidney Souers, Hoyt Vandenberg, Roscoe Hillenkoetter, and Walter Bedell Smith—were all from the military and all (like Truman himself) from the central United States.¹³⁹ This was in striking contrast to the six known deputy directors below them, whose background was that of New York City or (in one case) Boston, law and/or finance, and (in all cases but one) the Social Register.¹⁴⁰

But Bedell Smith, Truman’s choice to control the CIA, inadvertently set the stage for overworld triumph in the agency when, in January 1951, he brought in Allen Dulles (Wall Street Republican, Social Register, and OSS) “to control Frank Wisner.”¹⁴¹ And with the Republican election victory of 1952, Bedell Smith’s intentions in abolishing the OPC were completely reversed. Desmond Fitzgerald of the OPC, who had been responsible for the controversial Operation Paper, became chief of the CIA’s Far East Division.¹⁴² American arms and supplies continued to reach Li Mi’s troops, no longer directly from OPC but now indirectly through either the BPP in Thailand or the KMT in Taiwan.

The CIA support for Phao began to wane in 1955–1956, especially after a staged BPP seizure of twenty tons of opium on the Thai border was exposed by a dramatic story in the **Saturday Evening Post**.¹⁴⁴ But the role of the BPP in the drug trade changed little, as is indicated in a recent report from the Asian Human Rights Commission in Hong Kong. Meanwhile, for at least seven years, the BPP would “capture” KMT opium in staged raids, and turn it over to the Thai Opium Monopoly. The “reward” for doing so, one-eighth the retail value, financed the BPP.¹⁴³

The police force that exists in Thailand today is for all intents and purposes the same one that was built by Pol. Gen. Phao Sriyanond in the 1950s. . . . It took on paramilitary functions through new special units, including the border police. It ran the drug trade, carried out abductions and killings with impunity, and was used as a political base for Phao and his associates. Successive attempts to reform the police, particularly from the 1970s onwards, have all met with failure despite almost universal acknowledgment that something must be done.¹⁴⁵

The last sentence could equally be applied to America with respect to the CIA’s involvement in the global drug connection.

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Notes

¹ William O. Walker III, “Drug Trafficking in Asia,” **Journal of Interamerican Studies and World Affairs** 34, no. 3 (1992): 204.

² William Peers [OSS/CIA] and Dean Brellis, **Behind the Burma Road** (Boston: Little, Brown, 1963), 64.

³ Burton Hersch, **The Old Boys: The American Elite and the Origins of the CIA** (New York: Scribner’s, 1992), 300.

⁴ Peter Dale Scott, “Mae Salong,” in **Mosaic Orpheus** (Montreal: McGill-Queen’s University Press, 2009), 45.

⁵ Peter Dale Scott, “Wat Pa Nanachat,” in **Mosaic Orpheus**, 56.

⁶ Note Omitted.

⁷ I write about this practice in **Drugs, Oil, and War: The United States in Afghanistan, Colombia, and Indochina** (Lanham, MD: Rowman & Littlefield, 2003).

⁸ There are analogies also with the history of U.S. involvement in Iraq, though here the analogies are not so easily drawn. The most relevant point is that U.S. success in the defense of Kuwait during the 1990–

1991 Gulf War once again produced internal pressures, dominated by the neoconservative clique and the Cheney–Rumsfeld–Project for the New American Century cabal, which ultimately pushed the United States into another rollback campaign, the current invasion of Iraq itself.

⁹ G. William Skinner, **Chinese Society in Thailand: An Analytical History** (Ithaca, NY: Cornell University Press, 1957), 166–67; Alfred W. McCoy, **The Politics of Heroin: CIA Complicity in the Global Drug Trade** (Chicago: Lawrence Hill Books/Chicago Review Press, 2003), 101; Bertil Lintner, **Blood Brothers: The Criminal Underworld of Asia** (New York: Palgrave Macmillan, 2002), 234.

¹⁰ Carl A. Trocki, “Drugs, Taxes, and Chinese Capitalism in Southeast Asia,” in **Opium Regimes: China, Britain, and Japan, 1839–1952**, ed. Timothy Brook and Bob Tadashi Wakabayashi (Berkeley: University of California Press, 2000), 99.

¹¹ McCoy, **The Politics of Heroin**, 102; James C. Ingram, **Economic Change in Thailand, 1850–1970** (Stanford, CA: Stanford University Press, 1971), 177.

¹² Skinner, **Chinese Society in Thailand**, 166–67, 236–44, 264–65.

¹³ Cf. Robert Maule, “British Policy Discussions on the Opium Question in the Federated Shan States, 1937–1948,” **Journal of Southeast Asian Studies** 33 (June 2002): 203–24.

¹⁴ One often reads that the Northern Army invasion of the Shan states was in support of the Japanese invasion of Burma. In fact, the Japanese army (which may have had its own designs on Shan opium) refused for some months to allow the Thai army to move until the refusal was overruled for political reasons by officials in Tokyo. See E. Bruce Reynolds, **Thailand and Japan’s Southern Advance: 1940–1945** (New York: St. Martin’s, 1994), 115–17.

¹⁵ McCoy, **The Politics of Heroin**, 105. Cf. E. Bruce Reynolds, “‘International Orphans’—The Chinese in Thailand during World War II,” **Journal of Southeast Asian Studies** 28 (September 1997): 365–88: “In an effort to distance himself from the Japanese, Premier Phibun initiated secret contacts with Nationalist China through the Thai army in the Shan States and developed a scheme to transfer the capital to the northern town of Petchabun with the idea of ultimately turning against the Japanese and linking up militarily with Nationalist China.” Under orders from Thai Premier Phibun, rapprochement of the Northern Army in Kengtung with the KMT began in January 1943 with a symbolic release of prisoners followed by a cease fire ([“Thailand and the Second World War”](#)).

¹⁶ E. Bruce Reynolds, **Thailand’s Secret War: The Free Thai, OSS, and SOE during World War II** (Cambridge: Cambridge University Press, 2005), 170–71.

¹⁷ McCoy, **The Politics of Heroin**, 162–63, citing Archimedes L. A. Patti, **Why Vietnam** (Berkeley: University of California Press, 1980), 216–17, 265, 354–55, 487. Lung Yun’s son, Lung Shing, denied to James Mills that his father was a smuggler: “My family’s been painted as the biggest drug runner. This is nonsense. The government in the old days put a tax on opium, which is true. It’s been doing that for the past hundred years. You can’t pin it on my family for that” (James Mills, **The Underground Empire: Where Crime and Governments Embrace** [New York: Dell, 1986], 737).

¹⁸ The directions given by Washington to the OSS mission were to establish contact with Phibun’s political enemy, Pridi Phanomyong. However, the mission’s leader, Khap Kunchon, was secretly a Phibun loyalist with a history of sensitive missions, and this complication helps to explain Khap’s motive and success in promoting the Thai–KMT talks (Nigel J. Brailey, **Thailand and the Fall of Singapore: A Frustrated Asian Revolution** [Boulder, CO: Westview Press, 1986], 100).

¹⁹ Judith A. Stowe, **Siam Becomes Thailand: A Story of Intrigue** (Honolulu: University of Hawai’i Press, 1991), 282. The border itself, a product of Sino–British negotiations in the nineteenth century, was an artifact, dividing the historically connected principalities of the Thai Lü in Sipsongpanna (southern Yunnan) from those of the Thai Yai (Shans) in Burma (Stephen Sparkes and Signe Howell, **The House in Southeast Asia: A Changing Social, Economic and Political Domain** [London: RoutledgeCurzon, 2003], 134; Janet C. Sturgeon, **Border Landscapes: The Politics of Akha Land Use in China and Thailand** [Seattle: University of Washington Press, 2005], 82).

²⁰ Stowe, **Siam Becomes Thailand**, 282–83. I have discovered no indication as to whether Nicol Smith, the American leader of the OSS mission, was aware of the implications of the talks for the future of the Shan opium trade.

²¹ Reynolds, **Thailand’s Secret War**, 171, 175–76.

²² Reynolds, **Thailand’s Secret War**, 171; Brailey, **Thailand and the Fall of Singapore**, 100; Maochun Yu, **OSS in China: Prelude to Cold War** (New Haven, CT: Yale University Press, 1996), 117; John B. Haseman, **The Thai Resistance Movement** (Chiang Mai: Silkworm Books, 2002), 62–63; Stowe, **Siam Becomes Thailand**, 282; Nicol Smith and Blake Clark, **Into Siam: Underground Kingdom** (Indianapolis: Bobbs-Merrill, 1946), 146. According to Smith, General Lu himself took responsibility for delivering a message from OSS promising amnesty to the Northern Army; according to Haseman, the

letter “was delivered to front-line Thai positions, who passed it in turn to Sawaeng [Thappasut, a former student of Khap’s], MG Han [Songkhram], LTG Chira [Wichitsongkhram], and to Marshal Phibul.”

²³ Miles, Donovan’s first OSS chief for China, became more and more closely allied with the controversial Tai Li in a semiautonomous network, SACO. In December 1943 Donovan, alerted to the situation, replaced Miles as OSS China chief with Colonel John Coughlin (Richard Harris Smith, **OSS: The Secret History of America’s First Central Intelligence Agency** [Berkeley: University of California Press, 1972], 246–58).

²⁴ Reynolds, **Thailand’s Secret War**, 191–92, citing documents of September 1944, cf. 175; Stowe, **Siam Becomes Thailand**, 270.

²⁵ Cf. Jonathan Marshall, “Opium, Tungsten, and the Search for National Security, 1940–52,” in **Drug Control Policy: Essays in Historical and Comparative Perspective**, ed. William O. Walker III (University Park: Pennsylvania State University Press, 1992), 96: “Americans . . . knew that [Tai Li’s] agents protected Tu’s huge opium convoys”; Douglas Valentine, **The Strength of the Wolf: The Secret History of America’s War on Drugs** (London: Verso, 2004), 47: “It was an open secret that Tai Li’s agents escorted opium caravans from Yunnan to Saigon and used Red Cross operations as a front for selling opium to the Japanese.”

²⁶ After the final KMT defeat of 1949, the 93rd Division received other remnants from the KMT 8th and 26th Armies and a new commander, General Li Mi of the KMT Eighth Army (Bertil Lintner, **Burma in Revolt: Opium and Insurgency since 1948** [Chiang Mai: Silkworm Books, 1999], 111–15).

²⁷ McCoy, **The Politics of Heroin**, 106, 188–91, 415–20.

²⁸ Thomas Lobe, **United States National Security Policy and Aid to the Thailand Police** (Denver: Graduate School of International Studies, University of Denver, 1977), 27.

²⁹ Lintner, **Burma in Revolt**, 192.

³⁰ Lintner, **Blood Brothers**, 241–44. After Sarit died in 1963, Chin was able to return to Thailand.

³¹ William Stevenson, **The Revolutionary King: The True-Life Sequel to The King and I** (London: Constable and Robinson, 2001), 4, 162, 195. The king personally translated Stevenson’s biography of Sir William Stephenson into Thai.

³² Anthony Cave Brown, **The Last Hero: Wild Bill Donovan** (New York: Times Books, 1982), 797; Stevenson, **The Revolutionary King**, 162. In 1970, Thompson’s biographer, William Warren, described the funding of Thompson’s company in some detail but made no reference to the WCC (William Warren, **Jim Thompson: The Unsolved Mystery** [Singapore: Archipelago Press, 1998], 66–67). Former CIA officer Richard Harris Smith wrote that Thompson was later “frequently reported to have CIA connections” (Smith, OSS, 313n). Joe Trento, without citing any sources, places Jim Thompson at the center of this chapter’s narrative: “Jim Thompson . . . (who in fact was a CIA officer) had recruited General Phao, head of the Thai police, to accept the KMT army’s drugs for distribution” (Joseph J. Trento, **The Secret History of the CIA** [New York: Random House/Forum, 2001], 346). Thompson disappeared mysteriously in Malaysia in 1967; his sister, who investigated the disappearance, was brutally murdered in America a few months later.

³³ Valentine, **The Strength of the Wolf**, 155. Helliwell in Kunming used opium, which was in effect the local hard currency, to purchase intelligence (**Wall Street Journal**, April 18, 1980).

³⁴ Sterling Seagrave, **The Marcos Dynasty** (New York: Harper and Row, 1988), 361.

³⁵ John Loftus and Mark Aarons, **The Secret War against the Jews** (New York: St. Martin’s, 1994), 110–11.

³⁶ The best evidence of this, the M-fund reported on by Chalmers Johnson, is discussed in the next chapter. Cf. Sterling and Peggy Seagrave, **Gold Warriors: America’s Secret Recovery of Yamashita’s Gold** (London: Verso, 2003), 3. The Seagraves link Helliwell to the movement of Japanese gold out of the Philippines, and they suggest, by hearsay but without evidence, that both Sea Supply Inc. and Civil Air Transport were thus funded (147–48, 152). Although many of their startling allegations are beyond my competence to assess or even believe, there are at least two that I have verified from my own research. I am persuaded that in the first postwar months when the United States was already supporting and using the SS war criminal Klaus Barbie, the operation was paid by SS funds. And I have seen secret documentary proof that a large sum of gold was indeed later deposited in a Swiss bank account in the name of a famous Southeast Asian leader, as claimed by the Seagraves.

³⁷ Leonard Slater, **The Pledge** (New York: Pocket Books, 1971), 175. An attorney once made the statement that Burton Kanter (Helliwell’s partner in the money-laundering Castle Bank) “was introduced to Helliwell by General William J. Donovan. . . . Kanter denied that. ‘I personally never met Donovan. I believe I may have spoken to him once at Paul Helliwell’s request’” (Pete Brewton, **The Mafia, CIA and George Bush** [New York: S.P.I. Books, 1992], 296).

³⁸ In the course of Operation Safehaven, the U.S. Third Army took an SS major “on several trips to Italy and Austria, and, as a result of these preliminary trips, over \$500,000 in gold, as well as jewels, were recovered” (Anthony Cave Brown, **The Secret War Report of the OSS** [New York: Berkeley, 1976], 565–66).

³⁹ Amy B. Zegart, **Flawed by Design: The Evolution of the CIA, JCS, and NSC** (Stanford, CA: Stanford University Press, 1999), 189, citing Christopher Andrew, **For the President’s Eyes Only** (New York: HarperCollins, 1995), 172; see also U.S. Congress, Senate, 94th Cong., 2nd sess., Select Committee to Study Governmental Operations with Respect to Intelligence Activities, **Final Report**, April 26, 1976, Senate Report No. 94-755, 28–29.

⁴⁰ Stevenson, **The Revolutionary King**, 50. Douglas Valentine claims that in mid-1947, Donovan intervened in Bangkok politics to resolve a conflict between the police and the army over the opium traffic. In 1947, Donovan was a registered foreign agent for the civilian Thai government, representing them in negotiations over the post-war border with French Indochina. Valentine reports that in mid-1947, “Donovan traveled to Bangkok to unite the squabbling factions in a strategic alliance against the Communists” and that the KMT businessmen in Bangkok who managed the flow of narcotics from Thailand to Hong Kong and Macao “benefited greatly from Donovan’s intervention” (Valentine, **The Strength of the Wolf**, 70). He notes also that “by mid-1947 Kuomintang narcotics were reaching America through Mexico.” What actually happened in November 1947 in Thailand was the ousting of Pridi’s civilian government in a military coup. Soon afterward the first of Thailand’s postwar military dictators, Phibun, took office. Not long after Phibun’s accession, Thailand quietly abandoned the antiopium campaign announced in 1948, whereby all opium smoking would have ended by 1953 (Francis W. Belanger, **Drugs, the U.S., and Khun Sa** [Bangkok: Editions Duang Kamol, 1989], 75–90).

⁴¹ Stevenson, **The Revolutionary King**, 50–51.

⁴² William O. Walker III, **Opium and Foreign Policy: The Anglo-American Search for Order in Asia, 1912–1954** (Chapel Hill: University of North Carolina Press, 1991), 184–85, citing letters from Bird, April 5, 1948, and Donovan, April 14, 1948 (Donovan Papers, box 73a, Military History Institute, U.S. Army, Carlisle Barracks, Pennsylvania).

⁴³ Paul M. Handley, **The King Never Smiles: A Biography of Thailand’s Bhumipol Adulyadej** (New Haven, CT: Yale University Press, 2006), 105.

⁴⁴ Walker, **Opium and Foreign Policy**, 185.

⁴⁵ **Foreign Relations of the United States, 1949–1951** (hereinafter FRUS) (Washington, DC: Government Printing Office), vol. 6, 40–41; memo of March 9, 1950, from Dean Acheson, secretary of state.

⁴⁶ FRUS, 1952–1954, vol. 12, 651, memo of October 7, 1952, from Edwin M. Martin, special assistant to the secretary for mutual security affairs, to John H. Ohly, assistant director for program, Office of the Director of Mutual Security (emphasis added).

⁴⁷ Shortly before his dismissal on April 11, 1951, MacArthur in Tokyo issued a statement calling for a “decision by the United Nations to depart from its tolerant effort to contain the war to the area of Korea, through an expansion of our military operations to its coastal areas and interior bases [to] doom Red China to risk the imminent military collapse” (Lintner, **Blood Brothers**, 237).

⁴⁸ Bruce Cumings, **The Origins of the Korean War**, vol. 2 (Princeton, NJ: Princeton University Press, 1990). Donovan in this period became vice chairman of the Committee to Defend America by Aiding Anti-Communist China.

⁴⁹ Martha Byrd, **Chennault: Giving Wings to the Tiger** (Tuscaloosa: University of Alabama Press, 1987), 325–28; William M. Leary, **Perilous Missions: Civil Air Transport and CIA Covert Operations in Asia, 1946–1955** (Tuscaloosa: University of Alabama Press, 1984), 67–68; Scott, **Drugs, Oil, and War**, 2.

⁵⁰ Jack Samson, **Chennault**, 62.

⁵¹ John Prados, **Safe for Democracy: The Secret Wars of the CIA** (Chicago: Ivan R. Dee, 2006), 125. Cf. **Los Angeles Times**, September 22, 2000: “Newly declassified U.S. intelligence files tell the remarkable story of the ultra-secret Insurance Intelligence Unit, a component of the Office of Strategic Services, a forerunner of the CIA, and its elite counterintelligence branch X-2. Though rarely numbering more than a half dozen agents, the unit gathered intelligence on the enemy’s insurance industry, Nazi insurance titans and suspected collaborators in the insurance business. . . . The men behind the insurance unit were OSS head William “Wild Bill” Donovan and California-born insurance magnate Cornelius V. Starr. Starr had started out selling insurance to Chinese in Shanghai in 1919. . . . Starr sent insurance agents into Asia and Europe even before the bombs stopped falling and built what eventually became AIG, which today has its world headquarters in the same downtown New York building where the tiny OSS unit toiled in the deepest secrecy.”

- ⁵² Peter Dale Scott, **The War Conspiracy: JFK, 9/11, and the Deep Politics of War** (Ipswich, MA: Mary Ferrell Foundation Press, 2008), 46–47, 263–64. William Youngman, Corcoran's law partner and a key member of Chennault's support team in Washington during and after the war, was by 1960 president of a C. V. Starr company in Saigon.
- ⁵³ Smith, **OSS**, 267.
- ⁵⁴ Smith, **OSS**, 267n.
- ⁵⁵ It is possible that other backers of the Chennault Plan allied themselves, like Helliwell, with organized crime. In those early postwar years, one of the C. V. Starr companies, U.S. Life, was the recipient of dubious Teamster insurance contracts through the intervention of the mob-linked business agents Paul and Allan Dorfman (Scott, **Drugs, Oil, and War**, 197; Scott, **The War Conspiracy**, 279). One of the principal supporters of Chennault's airline on the U.S. West Coast, Dr. Margaret Chung, was suspected of drug trafficking after her frequent trips to Mexico City with Virginia Hill, a courier for Meyer Lansky and Bugsy Siegel. See Ed Reid, **The Mistress and the Mafia: The Virginia Hill Story** (New York: Bantam, 1972), 42, 90; Peter Dale Scott, "Opium and Empire: McCoy on Heroin in Southeast Asia," **Bulletin of Concerned Asian Scholars**, September 1973, 49–56.
- ⁵⁶ Ronald Shelp with Al Ehrbar, **Fallen Giant: The Amazing Story of Hank Greenberg and the History of AIG** (Hoboken, NJ: Wiley, 2006), 60.
- ⁵⁷ **Encyclopaedia Britannica**. The money splashed around in Washington by the "China Lobby" was attributed at the time chiefly to the wealthy linen and lace merchant Joseph Kohlberg, the so-called China Lobby man. But it has often been suspected that he was fronting for others.
- ⁵⁸ Lintner, **Burma in Revolt**, 111–14. As early as 1950, Ting was also actively promoting the concept of an Anti-Communist League to support KMT resistance (134, 234). The KMT's ensuing Asian Peoples' Anti-Communist League (later known as the World Anti-Communist League) became intimately involved with support for the KMT troops in Burma. In 1971 the chief Laotian delegate to the World Anti-Communist League, Prince Sopsaisana, was detained with sixty kilos of top-grade heroin in his luggage (Scott, **Drugs, Oil, and War**, 163, 194–95).
- ⁵⁹ MacArthur advised the State Department in 1949 that the United States should place "500 fighter planes in the hands of some 'war horse' similar to Chennault" and further support the KMT with U.S. volunteers (memo of conversation, September 5, 1949, FRUS, 1949, vol. 9, 544–46; Cumings, **The Origins of the Korean War**, 103; Byrd, **Chennault**, 344). Chennault in turn told Senator Knowland that Congress should appoint MacArthur a supreme commander for the entire Far East.
- ⁶⁰ Donovan suggested that Chennault become minister of defense in a reconstituted KMT government. At some point Chennault and Donovan met privately with Willoughby in Japan (Cumings, **The Origins of the Korean War**, 513).
- ⁶¹ Valentine, **The Strength of the Wolf**, 260; Cumings, **The Origins of the Korean War**, 133.
- ⁶² Cumings, **The Origins of the Korean War**, 119–21, 796; James Burnham, **The Coming Defeat of Communism** (New York: John Day, 1951), 256–66.
- ⁶³ David McKean, **Peddling Influence: Thomas "Tommy the Cork" Corcoran and the Birth of Modern Lobbying** (Hanover, NH: Steerforth, 2004), 216.
- ⁶⁴ Hersh, **The Old Boys**, 299.
- ⁶⁵ McKean, **Peddling Influence**, 216; Christopher Robbins, **Air America** (New York: Putnam's, 1979), 48–49, 56–57, 70; Byrd, **Chennault**, 333; Alan A. Block, **Masters of Paradise: Organized Crime and the Internal Revenue Service in the Bahamas** (New Brunswick, NJ: Transaction, 1991), 169.
- ⁶⁶ Curtis Peebles, **Twilight Warriors: Covert Air Operations against the USSR** (Annapolis, MD: Naval Institute Press, 2005), 88–89.
- ⁶⁷ William R. Corson, **The Armies of Ignorance: The Rise of the American Intelligence Empire** (New York: Dial Press/James Wade, 1977), 320–21.
- ⁶⁸ Hersh, **The Old Boys**, 284. Cf. Samuel Halpern (a former CIA officer) in Ralph S. Weber, **Spymasters: Ten CIA Officers in Their Own Words** (Wilmington, DE: Scholarly Resources, 1999), 117: "Bedell suddenly said, 'They're under my command.' . . . He did it, and he did it in the first seven days of his tenure as DCI [director of the CIA]."
- ⁶⁹ Corson, **The Armies of Ignorance**, 319; Daniel Fineman, **A Special Relationship: The United States and Military Government in Thailand, 1947–1958** (Honolulu: University of Hawai'i Press, 1997), 137; Henry G. Gole, **General William E. DePuy: Preparing the Army for Modern War** (Lexington: University Press of Kentucky, 2008), 80: "CIA Director Walter Bedell Smith opposed the plan, but President Truman approved it, overruled the Director, and ordered the strictest secrecy about it."
- ⁷⁰ Victor S. Kaufman, "Trouble in the Golden Triangle: The United States, Taiwan and the 93rd Nationalist Division," **China Quarterly**, no. 166 (June 2001): 441, citing Memorandum, Bradley to Secretary of

Defense, April 10, 1950, and Annex to NSC 48/3, "United States Objectives, Policies, and Courses of Action in Asia," May 2, 1951. President's Secretary's File, National Security File—Meetings, box 212, Harry S. Truman Library, Independence, Missouri. Cf. Sam Halpern, in Weber, *Spymasters*, 119: "The Pentagon came up with this bright plan, as I understand it; at least, I was told this by my [CIA/OSO] boss, Lloyd George, who was Chief of the Far East Division at the time."

⁷¹ Kaufman, "Trouble in the Golden Triangle," 442–43; Fineman, **A Special Relationship**, 141–42.

⁷² Kaufman, "Trouble in the Golden Triangle," 443: "Whether . . . Secretary of State Dean Acheson . . . knew of Operation Paper is uncertain. Acheson was present at discussions regarding the use of covert operations against China. . . . Yet since mid-1950, the secretary of state had been working to remove the irregulars. Therefore, either Acheson knew of the operation and did not inform his subordinates, or he too did not have the entire picture." In apparent contradiction, William Walker writes that "Acheson had participated from the start in the decision-making process relating to NSC 48/5, so he was familiar with the discussions about using covert operations against China's southern flank" (**Opium and Foreign Policy**, 203). But NSC 48/5, primarily a policy paper on Korea, dates from May 17, 1951, half a year later.

⁷³ Leary, **Perilous Missions**, 116–17.

⁷⁴ Lintner, **Blood Brothers**, 237, citing MacArthur on March 21, 1951, in Robert H. Taylor, **Foreign and Domestic Consequences of the Kuomintang Intervention in Burma** (Ithaca, NY: Cornell University Southeast Asia Program, Data Paper no. 93, 1973), 42; Chennault on April 23, 1958, in U.S. Congress, House Committee on Un-American Activities, *International Communism (Communist Encroachment in the Far East)*, "Consultations with Maj.-Gen. Claire Lee Chennault, United States Army," 85th Cong., 2nd sess., 9–10.

⁷⁵ Leary, **Perilous Missions**, 129–30. Leary states that U.S. personnel delivered the arms only as far as northern Thailand, with the last leg of delivery handled by the Thai Border Police. But there are numerous contemporary reports of U.S. personnel at Mong Hsat in Burma who helped unload the planes and reload them with opium (Scott, *Drugs, Oil, and War*, 60; Corson, **The Armies of Ignorance**, 320–22).

Lintner reproduces a photograph of three American civilians who were killed in action with the KMT in Burma in 1953 (Lintner, *Burma in Revolt*, 168). On April 1, 1953, the Rangoon Nation reported a captured letter from Major General Li's headquarters, discussing "European instructors for the training of students."

⁷⁶ McCoy, **The Politics of Heroin**, 169–71; Lintner, **Blood Brothers**, 238. Despite this military fiasco, the KMT troops contributed to the survival of noncommunist Chinese communities in Southeast Asia both by serving as a protective shield and by sustaining the traditional social fabric of drug-financed KMT Triads in Southeast Asia. See McCoy, **The Politics of Heroin**, 185–86; Scott, **Drugs, Oil, and War**, 60, 192–93.

⁷⁷ Donald F. Cooper, **Thailand: Dictatorship of Democracy?** (Montreux: Minerva Press, 1995), 120.

⁷⁸ E.g., McCoy, **The Politics of Heroin**, 165–69. Cf. Tim Weiner, **Legacy of Ashes: The History of the CIA** (New York: Doubleday, 2007), 60: "The final theater for the CIA in the Korean War lay in Burma. In early 1951, as the Chinese Communists chased General MacArthur's troops south, the Pentagon thought the Chinese Nationalists could take some pressure off MacArthur by opening a second front. . . . The CIA began [sic] flying Chinese Nationalist soldiers into Thailand . . . and dropping them along with pallets of guns and ammunition into northern Burma." Cf. Walker, **Opium and Foreign Policy**, 200: "Some aid was already reaching KMT forces in Burma . . . months before the January 1951 NSC meeting."

⁷⁹ Fineman, **A Special Relationship**, 289n25.

⁸⁰ Fineman, **A Special Relationship**, 137.

⁸¹ U.S. Treasury Department, Bureau of Narcotics, **Traffic in Opium and Other Dangerous Drugs** (Washington, DC: Government Printing Office, 1949), 13; (1950), 3; (1954), 12. Through the same decade, the FBN, by direction of the U.S. State Department, acknowledged to UN Narcotics Conferences that Thailand was a source for opium and heroin reaching the United States (Scott, **Drugs, Oil, and War**, 191, 203, citing UN Documents E/CN.7/213, E/CN.7/283, 22, and E/CN.7/303/Rev.1, 34; cf. Walker, **Opium and Foreign Policy**, 201 [State Department]). When the FBN Traffic in Opium reports began to acknowledge Thai drug seizures again in 1962, the Kennedy administration had already initiated serious efforts to remove the bulk of the KMT troops from the region (Kaufman, "Trouble in the Golden Triangle," 452).

⁸² Walker, **Opium and Foreign Policy**, 206, cf. 213–15. Cf. also Valentine, **The Strength of the Wolf**, 133, 150–52. Anslinger was not alone in blaming heroin flows on mainland China. He was joined in the attack by two others with CIA connections: Edward Hunter (a veteran of OSS China and OPC who in turn was fed information regularly by Chennault) and Richard L. G. Deverall of the American Federation of Labor's Free Trade Union Committee (under the CIA's labor asset Jay Lovestone).

⁸³ Scott, **Drugs, Oil, and War**, 7, 60–61, 198, 207, citing Penny Lernoux, **In Banks We Trust** (Garden City, NY: Anchor/Doubleday, 1984), 42–44, 84.

⁸⁴ Fineman, **A Special Relationship**, 215.

⁸⁵ I explore this question in Scott, **Drugs, Oil, and War**, 60–64.

⁸⁶ Gole, **General William E. DePuy**, 80.

⁸⁷ Chennault himself was investigated for such smuggling activities, “but no official action was taken because he was politically untouchable” (Marshall, “Opium, Tungsten, and the Search for National Security, 1940–52,” 92); cf. Barbara Tuchman, **Stilwell and the American Experience in China, 1911–1945**, 7–78; Paul Frillmann and Graham Peck, **China: The Remembered Life** (Boston: Houghton Mifflin, 1968), 152.

⁸⁸ Corson, **The Armies of Ignorance**, 322.

⁸⁹ Valentine, **The Strength of the Wolf**, 71, quoting Reid, *The Mistress and the Mafia*, 42.

⁹⁰ Marshall, “Opium, Tungsten, and the Search for National Security, 1940–52,” 98, citing OSS CID 126155, April 19, 1945.

⁹¹ Marshall, “Opium, Tungsten, and the Search for National Security, 1940–52.”

⁹² Andrew Forbes and David Henley, **The Haw: Traders of the Golden Triangle** (Bangkok: Teak House, 1997).

⁹³ Cooper, **Thailand**, 116.

⁹⁴ Wen-chin Chang, “Identification of Leadership among the KMT Yunnanese Chinese in Northern Thailand,” **Journal of Southeast Asian Studies** 33 (2002): 125. Chang calls this name “a popular misnomer” on the grounds that the KMT villages have been expanding and “slowly casting off their former military legacy.”

⁹⁵ Taylor, **Foreign and Domestic Consequences of the Kuomintang Intervention in Burma**, 10.

⁹⁶ McCoy, **The Politics of Heroin**, 162–63.

⁹⁷ Sucheng Chan, **Hmong Means Free: Life in Laos and America** (Philadelphia: Temple University Press, 1994), 1942; cf. John T. McAlister, **Viet Nam: The Origins of Revolution** (Garden City, NY: Doubleday, 1971), 228; Scott, **The War Conspiracy**, 267.

⁹⁸ Timothy Brook and Bob Tadashi Wakabayashi, eds., **Opium Regimes: China, Britain, and Japan, 1839–1952** (Berkeley: University of California Press, 2000), 261–79; Jonathan Marshall, “Opium and the Politics of Gangsterism in Nationalist China, 1927–1945,” **Bulletin of Concerned Asian Scholars, July–September 1976**, 19–48; Laura Tyson Li, **Madame Chiang Kai-shek: China’s Eternal First Lady** (New York: Atlantic Monthly Press, 2006), 107, citing Nelson T. Johnson to Stanley K. Hornbeck, May 31, 1934, box 23, Johnson Papers, Library of Congress.

⁹⁹ In global surveys of the opium traffic, one regularly reads of the importance of Teochew (Chiu chau) triads in the postwar Thai drug milieu (e.g., Martin Booth, **Dragon Syndicates: The Global Phenomenon of the Triads** [New York: Carroll and Graf, 1999], 176–77; McCoy, **The Politics of Heroin**, 389, 396). Although triads are central to trafficking in Hong Kong, and today possibly inside China, I question whether the Teochew in Thailand, although they certainly are prominent in the drug trade there, are still as dominated by triads as they were before World War II. Cf. Skinner, **Chinese Society in Thailand**, 264–67.

¹⁰⁰ Valentine, **The Strength of the Wolf**, 14, citing Melvin L. Hanks, **NARC: The Adventures of a Federal Agent** (New York: Hastings House, 1973), 37, 162–66; Brook and Wakabayashi, **Opium Regimes**, 263. For an overview of U.S. knowledge of KMT drug trafficking, see Marshall, “Opium and the Politics of Gangsterism in Nationalist China, 1927–1945.”

¹⁰¹ Valentine, **The Strength of the Wolf**, 72–73, citing Terry A. Talent report of November 15, 1946; Douglas Clark Kinder and William O. Walker III, “Stable Force in a Storm: Harry J. Anslinger and United States Narcotics Policy, 1930–1962,” **Journal of American History**, March 1986, 919.

¹⁰² Valentine, **The Strength of the Wolf**, 77.

¹⁰³ Victor S. Kaufman, **Confronting Communism: U.S. and British Policies toward China** (Columbia: University of Missouri Press, 2001), 20–21.

¹⁰⁴ Cumings, **The Origins of the Korean War**, 508–25; Robert Accinelli, **Crisis and Commitment: United States Policy toward Taiwan, 1950–1955** (Chapel Hill: University of North Carolina Press, 1996), 271–72; Ross Y. Koen, **The China Lobby in American Politics** (New York: Harper and Row, 1974), 46, 48–51. Elsewhere I have described Commerce International China as a subsidiary of the WCC. Since then, I have learned that it was a firm founded in Shanghai in 1930. I now doubt the alleged WCC connection. Later, Fassoulis was indicted in a huge organized crime conspiracy to defraud banks in a stock swindle (**New York Times**, September 12, 1969; Peter Dale Scott, **Deep Politics and the Death of JFK** [Berkeley: University of California Press, 1998], 168–69, 178). By 2005, Fassoulis was worth \$150 million

as chairman and CEO of CIC International, the successor to Commerce International China; his company, now supplying the U.S. armed services, was predicted to do \$870 million of business ("The 50 Wealthiest Greeks in America," **National Herald**, March 29, 2008). There have been speculations that the "U.S. Central Intelligence Agency . . . may actually support CIC International, Ltd. so it remains in business as one of its many brokers for arms, technology components, logistics on transactions significant to intelligence operations" ([Paul Collin](#), "Global Economic Brinkmanship").

¹⁰⁵ Scott, **Drugs, Oil, and War**, 188.

¹⁰⁶ McCoy, **The Politics of Heroin**, 185.

¹⁰⁷ Scott, **Drugs, Oil, and War**, 192–93. Anslinger's protection of the KMT traffic had the additional consequence of strengthening and protecting pro-KMT tongs in America. In 1959, when a pro-KMT Hip Sing tong network distributing drugs was broken up in San Francisco, a leading FBN official with OSS–CIA connections, George White, blamed the drug shipment on communist China while allowing the ringleader to escape to Taiwan (Scott, **Drugs, Oil, and War**, 63; Valentine, **The Strength of the Wolf**, 195).

¹⁰⁸ Walker, **Opium and Foreign Policy**, 214.

¹⁰⁹ Joe Studwell, **Asian Godfathers: Money and Power in Hong Kong and Southeast Asia** (New York: Atlantic Monthly Press, 2007), 95–96.

¹¹⁰ J. W. Cushman, "The Khaw Group: Chinese Business in Early Twentieth- Century Penang," **Journal of Southeast Asian Studies** 17 (1986): 58; cf. Trocki, "Drugs, Taxes, and Chinese Capitalism in Southeast Asia," 99–100.

¹¹¹ Marshall, "Opium, Tungsten, and the Search for National Security, 1940–52," 106. The KMT obtained the tungsten from Karen rebels controlling a major mine at Mawchj in exchange for modern arms provided by the CIA.

¹¹² Fineman, **A Special Relationship**, 133, 153. Bird at the time was a "private aviation contractor" (McCoy, **The Politics of Heroin**, 168), and aviation was the key to the BPP strategy of defending the Thai frontier because the Thai road system was still primitive in the border areas. Because Bird included in this committee his brother-in-law, Air Force Colonel Sitthi Savetsila, Sitthi became one of Phao's closest aides-de-camp and his translator. In the 1980s he served for a decade as foreign minister in the last Thai military government.

¹¹³ I have not been able to establish the identity of this OPC officer. One possibility is Desmond Fitzgerald, who became the overseer and champion of Sea Supply, Operation Paper, the BPP, and (still to be discussed) PARU. Another possibility is Paul Helliwell.

¹¹⁴ Lobe, **United States National Security Policy and Aid to the Thailand Police**, 19–20.

¹¹⁵ Fineman, **A Special Relationship**, 137; McCoy, **The Politics of Heroin**, 165.

¹¹⁶ Fineman, **A Special Relationship**, 134, emphasis added.

¹¹⁷ McCoy, **The Politics of Heroin**, 168–69: Sherman Joost, the OPC officer who headed Sea Supply in Bangkok, "had led Kachin guerrillas in Burma during the war as a commander of OSS Detachment 101."

¹¹⁸ Walker, **Opium and Foreign Policy**, 200, 205.

¹¹⁹ McCoy, **The Politics of Heroin**, 168.

¹²⁰ Scott, **Drugs, Oil, and War**, 187–89, 201–2; Robbins, **Air America**, 48–49, 56–57, 70; Leary, **Perilous Missions**, 110–12.

¹²¹ Chen Han-Seng, "Monopoly and Civil War in China," Institute of Pacific Relations, **Far Eastern Survey** 15, no. 20 (October 9, 1946): 308.

¹²² Scott, **Drugs, Oil, and War**, 187–89. CAT was not the only airline supplying Li Mi. There was also Trans-Asiatic Airlines, described as "a CIA outfit operating along the Burma-China border against the People's Republic of China" and based in Manila ([Roland G. Simbulan](#), "The CIA in Manila," Nathan Hale Institute for Intelligence and Military Affairs, August 18, 2000). On April 10, 1948, an operating agreement was signed in Thailand between the new Thai government of Phibun and Trans-Asiatic Airlines (Siam) Limited (**Far Eastern Economic Review** 35 [1962]: 329). Note that this was two months before NSC 10/2 formally directed the CIA to conduct "covert" rather than merely "psychological" operations and five months before the creation of the OPC in September 1948.

¹²³ Lintner, **Burma in Revolt**, 146.

¹²⁴ FRUS, 1951, , vol. 6, pt. 2, 1634; Fineman, **A Special Relationship**, 150–51. The memo described Bird as "the character who handed over a lot of military equipment to the Police, without any authorization as far as I can determine, and whose status with CAS [local CIA] is ambiguous, to say the least."

¹²⁵ Fineman, **A Special Relationship**, 133, 153. Handley's otherwise well-informed account wholly ignores Bird's role in preparing for the coup (**The King Never Smiles**, 113–15).

¹²⁶ Scott, **Drugs, Oil, and War**, 40, citing McCoy, **The Politics of Heroin**, 162, 286–87. McCoy's estimate of the KMT's impact on expanding production is extremely conservative. According to Bertil Lintner, the

foremost authority on the Shan states of Burma, "The annual production increased from a mere 30 tons at the time of independence [1945] to 600 tons in the mid-1950s" (Bertil Lintner, "Heroin and Highland Insurgency," in **War on Drugs: Studies in the Failure of U.S. Narcotics Policy**, ed. Alfred W. McCoy and Alan A. Block [Boulder, CO: Westview Press, 1992], 288). Furthermore, the KMT exploitation of the Shan states led thousands of hill tribesmen to flee to northern Thailand, where opium production also increased.

¹²⁷ Mills, **Underground Empire**, 789. Mills also quotes General Tuan as saying that the Thai Border Police "were totally corrupt and responsible for transportation of narcotics." Mills comments, "This was of some interest, since the BPP, a CIA creation, was known to be controlled by SRF, the Bangkok CIA station" (Mills, **Underground Empire**, 780). For details on the CIA-BPP relationship in the 1980s, see Valentine's account (from Drug Enforcement Administration sources), **The Strength of the Pack**, 254-55.

¹²⁸ Scott, **Drugs, Oil, and War**, 62-63, 193.

¹²⁹ Kaufman, "Trouble in the Golden Triangle," 443.

¹³⁰ Fineman, **A Special Relationship**, 141.

¹³¹ Rangoon Nation, March 30, 1953; Cooper, Thailand, 123; McCoy, **The Politics of Heroin**, 174; Lintner, **Burma in Revolt**, 139.

¹³² McCoy, **The Politics of Heroin**, 174-76; Leary, **Perilous Missions**, 195-96; Lintner, **Blood Brothers**, 238; Life, December 7, 1953, 61.

¹³³ McCoy, **The Politics of Heroin**, 177-78.

¹³⁴ Peter Grose, **Gentleman Spy: The Life of Allen Dulles** (Boston: Richard Todd/ Houghton Mifflin, 1994), 324.

¹³⁵ According to McCoy (**The Politics of Heroin**, 178), a CAT pilot named Jack Killam "was murdered in 1951 after an opium deal went wrong and was buried in an unmarked grave by CIA [i.e., OPC] agent Sherman Joost"—the head of Sea Supply. Joseph Trento, citing CIA officer Robert Crowley, gives the almost certainly bowdlerized version that two "drunk and violent" CAT pilots "shot it out in Bangkok" (Trento, **The Secret History of the CIA**, 347). According to William Corson, "Several theories have been advanced by those familiar with the Killam case to suggest that the trafficking in drugs in Southeast Asia was used by the CIA as a self-financing device to pay for services and persons whose hire would not have been approved in Washington . . . or that it amounted to the actions of 'rogue' intelligence agents" (Corson, **The Armies of Ignorance**, 323). One consequence of these intrigues was that, as we have seen, OPC was abolished. At this time OPC Far East Director Richard Stilwell was rebuked severely by CIA Director Bedell Smith and transferred to the military. In the Pentagon, "by the end of 1981, Stilwell was running one of the most secret operations of the government" in conjunction with ex-CIA officer Theodore Shackley, a protégé of Stilwell's former OPC deputy, Desmond Fitzgerald (Joseph J. Trento, **Prelude to Terror: The Rogue CIA and the Legacy of America's Private Intelligence Network** [New York: Carroll and Graf, 2005], 213). Stilwell was advising on the creation of the U.S. Joint Special Operations Command.

¹³⁶ Marchetti and Marks, **CIA and the Cult**, 383.

¹³⁷ Hersh, **The Old Boys**, 301, quoting Polly (Mrs. Clayton) Fritchey. Other men prominent in the cabal responsible for Operation Paper were also Republican activists. One was Paul Helliwell, who became very prominent in Florida Republican Party politics, thanks in part to funds he received from Thailand as the Thai consul general in Miami. Harry Anslinger was a staunch Republican and owed his appointment as the first director of the FBN to his marriage to a niece of the Republican Party magnate (and Treasury Secretary) Andrew Mellon (Valentine, **The Strength of the Wolf**, 16). Donovan, married to a New York heiress and an OPC consultant in the late Truman years, had a lifelong history of activism in New York Republican Party politics.

¹³⁸ A perhaps unanswerable deep historical question is whether some of these men, and especially Helliwell, were aware that KMT profits from the revived drug traffic out of Burma were funding the China Lobby's heavy attack on the Truman administration in general and on Dean Acheson and George C. Marshall in particular. (We shall see that in the later 1950s, Donovan and Helliwell received funds from Phao Sriyanon for the lobbying of Congress, supplanting those of the moribund China Lobby. Cf. Fineman, **A Special Relationship**, 214-15.) Citing John Loftus and others, Anthony Summers has written that Allen Dulles, before joining the CIA, had contributed to the young Richard Nixon's first election campaign and possibly had also supplied him with the explosive information that made Nixon famous: that former State Department officer Alger Hiss had known the communist Whittaker Chambers (Anthony Summers with Robbyn Swann, **The Arrogance of Power: The Secret World of Richard Nixon** [New York: Viking, 2000], 62-63).

- ¹³⁹ Sydney Souers (the first director, Central Intelligence Group, 1946) was born in Dayton, Ohio. Hoyt Vandenberg (director, Central Intelligence Group, 1946–1947) was born in Milwaukee, Wisconsin. Roscoe Hillenkoetter (the third and first director of the CIA, 1947–1949) was born in St. Louis. Walter Bedell Smith (the fourth director of the CIA, 1949–1953) was born in Indianapolis.
- ¹⁴⁰ For the details, see Scott, **The War Conspiracy**, 261. The one from Boston, Robert Amory, was no less Social Register, and his brother, Cleveland Amory, wrote a best-seller, **Who Killed Society**, 1960).
- ¹⁴¹ Weiner, **Legacy of Ashes**, 52–53. It may be relevant that Bedell Smith himself was a right-wing Republican who reportedly once told Eisenhower that Nelson Rockefeller “was a Communist” (Smith, OSS, 367).
- ¹⁴² McCoy, **The Politics of Heroin**, 165–78; cf. Trento, **The Secret History of the CIA**, 71.
- ¹⁴³ McCoy, **The Politics of Heroin**, 184.
- ¹⁴⁴ Darrell Berrigan, “They Smuggle Drugs by the Ton,” **Saturday Evening Post**, May 5, 1956, 42.
- ¹⁴⁵ [“Thailand: Not Rogue Cops but a Rogue System,”](#) a statement by the Asian Human Rights Commission, AHRC-STM-031-2008, January 31, 2008.

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